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OLIVER, FINNIE & CO.
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SUPREME COURT OF THE UNITED STATES.

OCTOBER TERM, 1882.

OLIVER, FINNIE & CO., Plaintiffs in Error,

No. ~~298~~ 211 vs.

RUMFORD CHEMICAL WORKS,

For the use of Payne and Wife as Administrators of A. F. Morgan.

In error to the Circuit Court of the Western Dist. of Tennessee

BRIEF OF ESTES & ELLETT, for Plaintiffs in Error.

Tracy & Co., Printers, 299 Main St., Memphis.

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PLEADINGS.

This suit was brought in the court below by and in the name of J. N. Payne and Kate, his wife, as administrators in right of the wife, of Allen F. Morgan, deceased, to recover damages for an alleged infringement of a patent.

The first declaration, filed July 13, 1875, claimed the right in question under a patent to E. N. Horsford, issued April 14, 1868. Pages 2 and 3 of record.

An amended declaration was filed January 21, 1878, (record, 15,) whereby the right was also claimed under a patent granted April 22, 1856.

This amended declaration, being, like the original, in the name of Payne and wife as plaintiffs, was demurred to, after oyer of the instruments under which the plaintiffs claimed to be assignees of the patent, on the ground that these instruments were not an *assignment*,

but only a *license*, and that therefore the plaintiffs could not sue in their own names. (Page 21.)

This demurrer was sustained on the ground mentioned, on the 25th of February, 1878, and thereupon the plaintiffs asked leave to amend the writ and declaration by striking out the names of said J. N. Payne and Kate G. his wife, as plaintiffs, and by inserting, in lieu thereof, the name of the Rumford Chemical Works, a corporation chartered by the laws of Rhode Island, for the use of said Payne and wife, administratix as aforesaid. Leave was granted, and the declaration was amended accordingly, (pp. 23, 24,) and the suit was afterwards prosecuted in the name of the Rumford Chemical Works, as plaintiffs, for the use of Payne and wife. The amendment was permitted to be made by altering the face of the declaration on file.

It is unnecessary to notice further any of the pleadings prior to this amended declaration.

It contains two counts. The first alleges the grant of a patent to E. N. Horsford, dated the 22d of April, 1856, for a new and useful improvement in preparing Phosphoric Acid as a substitute for other solid acids, granting the exclusive right of making, using and vending the same; that this invention, after being patented, was known as "Horsford's patent cream of tartar substitute for the purpose of manufacturing self-raising cereal flours," and "Horsford's patent pulverulent phosphoric acid"; that Horsford assigned said patent to the said Rumford Chemical Works, who on the 7th of May, 1867, surrendered the patent, and on an amended specification, obtained new letters patent, No. 2597, for "improvements in the manufacture of phosphoric acid," which last named patent was surrendered on the 9th of June, 1868, and a new patent issued, on another amended specification, for "an improvement in pulverulent acid for use in the preparation of soda powders, farinaceous food, and for other purposes"; that Horsford, on the 22d of April, 1870, obtained an extension of said patent as re-issued as aforesaid, for seven years from April 22d, 1870, and on the 22d of May, 1870, assigned to the Rumford Chemical Works the patent so extended: that the Rumford Chemical Works, on the 1st of February, 1869, assigned to Allen F. Morgan, all their rights and powers to use said patent, and the exclusive right to manufacture, sell and use, during the period of five years from that date the article known as "self-raising

flour from cereals, by the use of Horsford's patent pulverulent phosphoric acid, in a certain district embracing the territory in question; that Morgan died April —, 1869, being the owner of the right under said assignment, and said Kate, his widow, was qualified as his administratrix, July —, 1869, and that she has since intermarried with said Payne; that the chemical works, said Morgan, and said Payne and wife, used said invention in said territory to great profit, and that Morgan's interest in it was worth $50,000;* that said defendants did knowingly infringe the right of said Kate, as administratrix, and of said Payne and wife as administrators, in said patent, during the said five years, to-wit, from April 1, 1870, to February 1, 1874, and did make use of said patent, and did manufacture, sell and use self-raising flour from cereals by the use of Horsford's patent pulverulent phosphoric acid, in said territory, to the amount of $50,000 in each year, and did interrupt, hinder and prevent said plaintiffs from using, enjoying, and making any profits therefrom, with full knowledge of their rights, whereby they were deprived of the profits they might have made, to their damage $50,000.

The second count is precisely like the first to the asterisk *, and it then alleges that after Morgan's death, the defendants and the plaintiff did unlawfully and unjustly agree and combine together to infringe the rights of the said Payne and wife in said territory, and that as part of said combination, the plaintiff, the Rumford Chemical Works, made an assignment, grant, or power to the defendants of the same character, under the same patent, for five years, from April, 1870, to February, 1874 which had been previously granted to Morgan, under which agreement and combination, the defendants jointly with the plaintiff, have unlawfully infringed the right of Payne and wife, as averred in the first count.

This latter count presents the anomaly of a plaintiff alleging an unlawful combination between himself and the defendants, to injure a third person having an equitable beneficial interest, and demanding damages for the benefit of the equitable owner, on account of his own unlawful conduct in combination with the defendants.

PLEAS.

The defendants on the 28th of May, 1878, filed the following pleas to the declaration as amended by the insertion of the name of the Rumford Chemical Works as plaintiff. (P. 24.)

1. Not guilty.

2. That the cause of action did not accrue within three years next before the filing of the amended declaration.

3. Similar plea of the State statute of limitation of six years.

The 4th, 5th and 6th pleas are immaterial to be noticed.

7. That on the 1st of January, 1866, a similar license and contract to that dated Feb. 1, 1869, were made between the said Rumford Chemical Works and said A. F. Morgan, and for the like term of five years extending to January 1, 1871, and embracing the same territory; and while that term was in existence, and while said license and contract were in full force and effect, to-wit, May 30, 1868, the said Morgan went into bankruptcy, and enumerated in the schedule of assets filed with his petition, his interest in the said patent right for preparing self-raising flour, held under said assignment; that he was adjudged a bankrupt, and that an assignee was appointed, to whom all the rights of said Morgan under said contract of January 1, 1866, passed, and that said Rumford Chemical Works on the 1st day of February, 1869, were not the owners of the exclusive right in said patent in the said territory.

8. The eighth plea alleges that on the 1st of January, 1866, the said Rumford Chemical Works, being the owner of the patent described in the amended declaration, sold, assigned and transferred to said Morgan the exclusive right to manufacture, sell and use, during the term of five years, to-wit, until January 1, 1871, the article known as self raising flour from cereals, by the use of Horsford's patent pulverulent phosphoric acid, in the territory described in the contract mentioned in the declaration as dated February 1, 1869, which assignment and conveyance was in the same words and figures, except the date, as the said assignment of February 1, 1869, and that said Morgan during 1867, 1868, and in January, 1869, was engaged under a contract with the defendants in manufacturing and selling self-raising flour under his said assignment, and that on the 1st of February, 1869, the said Rumford Chemical Works claimed that its said assignment or conveyance of January 1, 1866, was merely a license to said Morgan during the pleasure of said Rumford Chemical Works, and that it was revocable at any time, all which the said Morgan and said defendants well knew; and that said Morgan informed, and admitted to, these defendants, and to other persons with the knowledge of these defendants, that he had

no rights under said assignment which the said Rumford Chemical Works could not take away, and that under said claim and admission the said Rumford Chemical Works, on the 1st of February, 1869, did revoke the said assignment of January 1, 1866, and said Morgan admitted that they had revoked and annulled the same. And that afterwards, to-wit, on said February 1, 1869, the said Rumford Chemical Works, after refusing to do so without consent of said defendants, made and executed the said instrument, dated February 1, 1869, mentioned in the said declaration, and as a part of the same transaction, said Morgan and these defendants entered into an agreement in writing dated February 15, 1869, but really executed February 1, 1869, under which defendants and said Morgan were to manufacture, use and sell, self-raising flour, by the use of said acid phosphate, made under said Horsford patent, until April 1, 1870. And defendants aver that when said contract was made, to-wit, on February 1, 1869, it was understood between all said parties, the Rumford Chemical Works, said Morgan, and said defendants, that the said Rumford Chemical Works claimed, and that said Morgan admitted, that the said assignment or license was revocable by them at any time; and that the said defendants acted in ignorance of the contents of said conveyance or assignment, and relied solely on the representations of said Morgan as to the contents, purport and effect thereof. And defendants further aver, that after the death of said Morgan, to-wit, May 1, 1869, the said Rumford Chemical Works revoked said license or assignment of February 1, 1869, and refused to allow the representative of said Morgan, and particularly the said Kate G. Payne, to carry on said business, and refused to allow defendants to carry out their agreement made with said A. F. Morgan as aforesaid, and so informed the defendants, and afterward, to wit, May 1, 1869, the said Rumford Chemical Works, by its written assignment or agreement of that date, did sell, assign and convey, to said defendants, the exclusive right to manufacture, use and sell self-raising flour by the said patented process, in the same territory before described, for the term of five years, until May 1, 1874. And defendants aver that it was under and by virtue of this last agreement or assignment that all the supposed grievances mentioned in the declaration were committed, and that they were induced to enter into the same, and to commit said grievances, by the acts and admissions of said Morgan, that the said assignments of January 1,

1866, and February 1, 1869, were revocable at any time by said Rumford Chemical Works, and therefore they insist that plaintiffs are estopped, etc.

9. That the Rumford Chemical Works did not assign, sell or convey to A. F. Morgan all its rights and powers to use said patent in the territory mentioned.

10. That the license given by the Rumford Chemical Works to said Morgan, February 1, 1869, as set forth in the declaration, was on June (May) 1, 1869, revoked and annulled by said works, and was never thereafter renewed to said Morgan, or his representatives.

11. That Horsford was not the original inventor as to the third claim set forth in said parent, but that the same was anticipated and covered by a previous patent, issued May 1, 1849, to John Fowler, assignee of Henry Jones, of which profert is made.

REPLICATIONS AND DEMURRERS.

To the two pleas of the statute of limitations, the plaintiffs on December 11, 1878, replied that "at the time the cause of action sued on accrued, the plaintiff, Kate G. Payne, to whom the cause of action really belongs, was a married woman, and has so remained from that time to the present." (P. 30.)

The defendants on the 17th of December, 1878, demurred to these replications on the ground that they formed no answer to the pleas: but the court overruled the demurrers, and held that the case was within the exception of the statute in favor of married women. (Page 33.)

On the other pleas issues of fact were joined, and by agreement of counsel, plaintiffs were allowed all the advantage of points raised by demurrers, by way of instructions to the jury, so far as the court might think the points well taken.

PLAINTIFF'S EVIDENCE.

1. A patent dated April 22, 1856, to E. N. Horsford, for an "improvement in preparing phosphoric acid as a substitute for other solid acids." (Record, 37.)

The schedule describes the invention as "a new and improved preparation or substance, being a substitute for a pulverulent acid, for use in the manufacture of soda powers and other similar compounds where a dry acid is required;" and after describing the process of production, and stating that it "has many uses in manu-

factures," concludes thus: "The acidified mixture prepared in accordance with the foregoing specifications, I have called pulverulent phosphoric acid, and I claim this pulverulent phosphoric acid for neutralizing alkaline bases and producing carbonic acid at will, from a mixture of this pulverulent acid with alkaline carbonates, upon the addition of moisture or heat or both."

2. An extension of the above patent, for seven years from April 22, 1856, granted to said Horsford, April 12, 1870. (Record, 39.)

3. The re-issue of said patent, granted May 7, 1867, to the Rumford Chemical Works, as assignees of said Horsford. (Record, 40.)

4. The second re-issue of said patent to said Rumford Chemical Works, as assignees of Horsford, dated June 9, 1868. (Record, 43 to 47.)

The claim annexed to the schedule of this re-issue is as follows: (Record, 47.)

1. I claim, as a new manufacture, the above-described pulverulent phosphoric acid.

2. I claim the manufacture of the above-described pulverulent phosphoric acid, so that it may be applied in the manner, and for the purposes above described.

3. I claim the mixing, in the preparation of farinaceous food, with flour, of a powder or powders such as described, consisting of ingredients of which phosphoric acid, or acid phosphates and alkaline carbonates, are the active agents, for the purpose of liberating carbonic acid, as described, when subjected to moisture, or heat, or both.

4. The use of phosphoric acid, or acid phosphates, when employed with alkaline carbonates, as a substitute for ferment or leaven in the preparation of farinaceous food.

5. An assignment by Horsford to the Rumford Chemical Works of the above extension of the said patent of April 22, 1856. This assignment bears date of May 21, 1870. (Record, 48.)

6. The license from the Rumford Chemical Works to Allen F. Morgan, and the cotemporaneous contract of said Morgan, dated February 1, 1869. (Record, 48, 50.)

This license, in consideration of the agreement mentioned, purports to "sell, assign and transfer unto the said A. F. Morgan,

the right to use within the territory described in said agreement, Horsford's patent cream of tartar substitute, *for the purpose of manufacturing within said territory, self-raising cereal flours*, with the right to use and sell the flours so manufactured, to have and hold and exercise such right, within the limits aforesaid, for and during the time, and under and subject to the conditions and limitations named and specified in the agreement aforesaid of even date herewith, to which reference is hereby made as a part hereof."

The agreement referred to recites that the Rumford Chemical Works has *licensed* and granted to Morgan, the exclusive right to manufacture, sell, and use, during the term of five years from date, the article known as self-raising flour from cereals, by the use of Horsford's patent pulverulent phosphoric acid, in the territory named; and said Morgan agrees that he will immediately commence the business, and use all his business tact and skill to make the sales as large as possible, during the continuance of "the *license* aforesaid," selling only in the territory named: that he will accept, in said *license*, such rights as are covered by the *patents* granted to Horsford, and by him assigned to the Rumford Chemical Works, and will maintain them in suits at law at his own expense, and will purchase all the acid used by him from said works; and he agrees that in case of failure on his part, the *said license* may be annulled and revoked. And it is stipulated that the use of phosphoric acid by families for domestic purposes, shall not be a violation of said agreement.

7. A letter from defendants, Oliver, Finnie & Co., to John Dwight & Co., New York, the general agents of the Rumford Chemical Works, dated Memphis, April 20, 1869. (Record, 50.)

This letter gives notice of the death of Morgan, refers to the contract under which Oliver, Finnie & Co. were then operating with him, and inquires what effect his death has on the contract, and whether Mrs. Morgan holds the right to manufacture after the decease of her husband, or who does?

8. The answer of John Dwight & Co. to the above letter, dated New York, April 24, 1869, and addressed to Oliver, Finnie & Co., Memphis. (Record, 68.)

This letter says, "The license reverts to us: there is no provision in it recognizing heirs, executors, administrators or assigns.

* * There is nothing legally due the widow," and tenders a new license to Oliver, Finnie & Co.

9 Mrs. Kate G. Payne testified that her first husband, Morgan, died April 19, 1869, and that she married Payne April 28, 1874. That some time after Morgan's death, Oliver went to New York, and when he returned, he told her that she had no right to the business; that he had been to New York, and had got the right; and that he offered to give her $1,000. She says, "The defendants prevented me from carrying on the business. They had the machinery and everything at their store. I made no efforts to carry it on, except by application to defendants as stated, and to John Dwight & Co., who refused to let me have it." (Record, 51.)

[The machinery here alluded to was the mills, etc., used in the preparation of self-raising flour, which were left in Oliver, Finnie & Co's. store, on Morgan's bankruptcy, subject to a deed of trust in favor of Waldron, and were sold by Morgan's assignee in bankruptcy, under the decree of the bankrupt court. See proceedings, Record, 104 to 110.]

10. Letter of Mrs. Morgan to John Dwight, dated Memphis, May 3, 1869. (Record, 51.) She has just learned that Dwight says the right of the self-raising flour reverts back to them from Morgan's death, and urges them to let her continue the business.

11. Letter of John Dwight & Co., in reply, dated May 8, 1869. (Record, 52.) They decline to comply with Mrs. Morgan's request, and say, "This thing is not like the assignment of a patent; there is no absolute right conveyed, and no power of assigning such a right if there had been one."

12. Letter of Mrs. Morgan to Oliver, Finnie & Co., (written by her attorneys preparatory to a suit brought immediately after,) dated August 2d, 1869, asking them to reconsider their refusal to allow her to carry out her late husband's contract with them, of February 15 last, in relation to self-raising flour; and the reply of the defendants thereto. (Record, 52.)

The contract alluded to in this letter is contained in the record, commencing at the foot of page 53.

13. Evidence was given by J. L. Morgan, Harvey, Ware, Harris, Stanley, Lytle and Coleman, of the extent of the business carried on by Morgan from 1865 to 1868; the number of hands employed; the quantity of flour prepared; sales; etc.

14. The answer of defendants to a petition for discovery filed in another suit between the parties, showing the entire connection between the defendants and Morgan, and the quantity of flour prepared up to April 1, 1870. (Record, 74-77.)

DEFENDANTS' EVIDENCE.

1. The depositions of John Dwight and J. R. Maurice, general agents of the Rumford Chemical Works for issuing licenses to use Horsford's acid for making self-raising flour. They prove that no consideration was received for said licenses, and that the business has not been profitable. Most of the licenses have been given up because the business was not a success. (Record, 78-82.)

2. J. C. Grant testified that Rumford's acid was worthless compared with cream of tartar, tartaric or citric acids, for the making of self-raising flour, chiefly for the reason that it will not keep. (Record, 83-93.)

3. Deposition of J. R. Maurice, taken in 1871, in the case in the State court. He testified that John Dwight & Co. had been agents of the Rumford Chemical Works since 1862, and as such have granted licenses at their discretion, in name of said works, signed by the treasurer. That the rights are not sold, but given to those the agents think best. That three licenses were issued to Morgan, September 9, 1865, January 1, 1866, and February 1, 1869, all in same form. The second was given because of change of territory, and the third at his particular request, because the second had become null and void by his insolvency and relinquishment of business. (Record, 94, 95.) Exhibits M, B, F and G, to this deposition, are found in the amended record.

4. The patent to John Fowler, assignee of Henry Jones, issued May 1, 1849, for mixing both acid and alkali with flour in the dry state, so that such prepared flour may be manufactured into bread without the use of fermenting matter. (Record, 97, 99.)

5. Buckham, (p. 99) Goodyear, (112) and Childs, (114) testified to the inutility and unhealthfulness of Horsford's acid.

6. The proceedings of Morgan in bankruptcy were given in evidence by defendants, to show that Morgan surrendered in his schedule his right under the license of January 1, 1866, as follows, to-wit:

"Patent right for preparing self-raising flour, together with its accomplished patronage..... .....$10,000.

"The above right is held under contract with the Rumford Chemical Works of East Providence, Rhode Island, by which contract there is given and granted to petitioner the exclusive right to manufacture and sell self-raising flour by the use of Horsford's cream of tartar substitute. *By the terms of the contract aforesaid, said right is not assignable or transferable.* And petitioner has been notified by John Dwight, the agent of the Rumford Chemical Works, that they claim said contract is forfeited, and that they will not recognize the right of any purchaser under this proceeding." (Record, 102, 103.)

The petition has been accidently omitted from this record, and the date of filing is not expressly stated, but the assignment executed by the Register to Cirode as assignee, shows that it was filed May 30, 1868. (Record, 110, 111.) The assignment expressly relates back to that date.

7. Description contained in vol. 3 of Gmelin's Handbook of Chemistry, published in London, in 1846, (the record is erroneously printed, 1849,) of the three-fourths Phosphate of Berzelius. (Record, 111.)

8. Goodyear (112) and Mansfield, (113) both practical chemists, prove that the use of dry acids with bicarbonate of soda, to form dry powders to be used in raising bread, has been known and practiced for twenty-five or thirty years; that the office of Horsford's pulverulent phosphoric acid is the same as that of tartaric and citric acids, and cream of tartar; that Horsford's acid is the same as the acid described in the formula of Berzelius, contained in Gmelin's Handbook of Chemistry; and that the process of mixing the two ingredients with flour, as described in Horsford's patent, is essentially the same with that contained in the Fowler patent. Dr. Goodyear testified that Horsford's acid is not useful, but is injurious to health.

9. Cirode, assignee in bankruptcy of Morgan, testified that he did nothing with the patent right described in the schedule, because Morgan told him that the patent belonged to some eastern chemical works, which he had a contract with, binding him to buy acid of that company; that the right was not transferable, because of the conditions in the contract, and he had been notified by the chemical works that it claimed that all his rights had been revoked.

He (Cirode) did not sell it, because Morgan said it was not transferable. (Record, 113.)

10. The license from the Rumford Chemical Works to Oliver, Finnie & Co. for five years, dated May 1, 1869, (amended record, exhibit M,) and the corresponding contract signed by O. F, & Co.; being in precisely the same form as the licenses and contracts to which Morgan was a party. (Record, 115.)

11. Oliver, one of the defendants, testified that they manufactured the flour under this license and contract, from its date, and that they realized no profits from the business, but incurred loss every year. (Record, 115, 117.)

12. Defendants gave in evidence the entire record of a suit in the State court, wherein Mrs. Morgan, as administratrix, was plaintiff, and Oliver Finnie & Co. were defendants, founded on the contract given in evidence by the plaintiffs, and contained on page 53 *et seq.* of the record. The bill of exceptions in that case shows that the plaintiff relied on a patent dated April 14, 1868, as the foundation of the right granted to Morgan by the license dated February 1, 1869.

This patent of April 14, 1868, is contained on pages 123-125 of the present record, and is issued for a "new and useful improved method of preparing acid phosphate of lime." The license and contract of Feb. 1, 1869, follow immediately after this patent and the assignment thereof, in the said record. Upon this evidence the Supreme Court of Tennessee held that the plaintiff was entitled to recover, and she did recover damages in that suit.

CHARGE OF COURT.

The entire charge of the court is embodied in the record, commencing on page 137.

The specific exceptions to the charge, numbered from one to fifteen, begin on page 149 of the record, and are as follows, to wit:

Defendants object to the following portions of the charge, and except thereto:

1. To so much of said charge as says, "I deem it wholly immaterial here whether the plaintiff owned the original patent or not. There is no dispute but that on the 1st of April, 1870, and on to the first of February, 1874, the Chemical Works owned the re-issues of the patent *and the final extension by direct grant from the government;*

and we are authorized to presume that the Patent Office rightfully issued them to the plaintiff."

2. To so much of the charge as says, "On the 9th day of September, 1865, the Rumford Chemical Works, the plaintiff here, made a contract with A. F. Morgan, the intestate of plaintiff, by which he was granted the exclusive privilege of using the patented article for three years in the territory named"; (p. 137) and again, "On January 1st, 1866, the Rumford Chemical Works made another contract with Morgan, by which they granted him the same exclusive privilege as before for five years." (P. 138.)

3. To so much of said charge as, in reference to the effect as an estoppel, of the conduct and correspondence of Morgan, as proved in evidence says: (Page 139,)

"I think it unnecessary to trouble you with any statement about the law on this subject, for the reason that it has no application to this case, as I understand it. The defendants knew, as the undisputed facts show, that this legal opinion of the Chemical Works and Morgan, or, if the defendants are right, this binding construction of their contract by themselves, was repudiated by his administratrix immediately after his death, and long before April 1st, 1870, the time when the alleged infringement for which this suit is brought was commenced. The conduct or construction of Morgan and the Chemical Works, based on their own legal opinion as to whether it would pass by operation of law, was not binding on his administratrix by estoppel or otherwise; at least, not as to strangers."

4. To so much of said charge as, in discussing the question whether the instruments under which Morgan claimed, were "assignments," or "mere personal licenses," instructs the jury as follows: (P. 140.)

"It is plain, therefore, that the mere retention by the patentee of the exclusive right to manufacture and prepare the powdered acid for such use as Morgan put it to, does not militate against the idea of this being an *assignment* of an exclusive interest in the patent within the particular territory. Taking the instrument executed by the Chemical Works to Morgan, along with the contract Morgan made with them contemporaneously, as we must, and I think it amounts, for the time specified, to an exclusive grant, subject to the reservation named, of the right to mix this acid with flour

and the other necessary ingredients, and to sell the product within the specified territory. It is such an interest as, by the patent law itself, was "*assignable in law*," and not such a mere license as required the contracting parties to agree that it should be assignable in law, or by the party himself."

5. To so much of said charge as says:

"I charge you, therefore, that the property Morgan had in this patent passed to his administratrix, and did not terminate with his death." (P. 141.)

6. To so much of said charge as says: (P. 141.)

"But defendants say, if this be true, the interest he (Morgan) had on the 30th of May, 1868, passed by the bankruptcy to Cirode, his assignee, and that plaintiff cannot recover for nine months of the alleged infringement.

"This is undoubtedly true, unless you find from the proof that Cirode, the assignee, abandoned the contract to Morgan. Mere non-claim on the part of Cirode is not enough to effectuate this result. Whenever a person goes into bankruptcy, his contracts with other persons, which are beneficial, pass to the assignee, if the assignee choses to assume the burden of carrying them out. Here the assignee found a contract such as has been given in evidence before you. It had attached to the exclusive interest in the patent, certain burdens of performance on the bankrupt's part, for the non-performance of which there were rights of revocation and forfeiture, such as you find in the contract itself. He could elect to take the interest, and perform the contract, or he could refuse performance and leave the interest with the bankrupt. If he elected to abandon the contract, the title to the interest in the property remained with the bankrupt. It is for you to say from the evidence *which he did*."

7. To so much of said charge as says: (P. 141.)

"The defendants insist that if the privilege passed to the plaintiff, as administratrix, she had no right to carry on the business or trade of her intestate, but that it was her duty to sell the property for creditors and distributees. I think, under the law of Tennessee governing the administration of estates, this is probably true; but these defendants can not claim as either creditors or distributees, and they are not in an attitude to complain. They cannot rely upon her breach of duty towards others, as a protection to themselves for any infringement of her rights."

8. To so much of the said charge as says, in reference to the question whether the extension of the patent passed to Morgan by the licenses under which plaintiffs claim: (P. 142.)

"I therefore charge you that by this contract the patentees necessarily conveyed to Morgan the same right, for the unexpired time of his contract, in the extended patent that he had in the original patent."

9. To so much of said charge as, after saying that if Morgan had only a license and not an assignment, then the subsequent license to the defendants would be a complete protection to them in this action of infringement, says: (P. 142.)

"I have already ruled that the contract with Morgan was an *assignment*, and not a *license*, as was decided by the Supreme Court of Tennessee. And although the case is not binding on the parties as an estoppel, I have concluded to follow it, and to rule that Morgan's contract was the assignment of an exclusive right to an interest in the patent, and not a mere license."

10. To so much of said charge as says:

"I charge you, therefore, to disregard all the proof attacking the patent for want of novelty, so far as it relates to the first and second claims, as irrelevant and immaterial. (P. 143.)

11. To so much of the charge as says: (P. 144.)

"I charge you, as matter of law, that the fourth claim may be infringed by the mixing and sale of the flour, as well as by the baking," etc.

12. To so much of the charge as says: (P. 144.)

"In estimating the actual damages by the foregoing rulings, you may look to the testimony tending to show the cost to Morgan of preparing the flour per barrel; the price at which he sold it per barrel; and the profit he made."

13. To so much of the charge as says:

"If, therefore, you find that Morgan, or the plaintiffs, had established a fixed price per barrel as the difference between the crude flour and the prepared article, which *he* always, or generally, demanded, you will be authorized to ascertain the profit to him, by deducting the cost of preparation, and if you find that the defendants have, by their operations, made less than the profit Morgan would have made, you will be authorized to find against them the full profit Morgan's administratrix would have realized, if she had carried on the business herself."

14. To so much of said charge as says:

"Even if you find that Morgan, by his words or acts, led defendants to think that his license and contract with the Rumford Works expired with his life, yet if his personal representatives after his death, and before defendants acquired their license, informed defendants that they intended to claim Morgan's rights, that would do away with the effect of Morgan's conduct, and they would *not** be estopped from claiming Morgan's rights under his contract with the Rumford Chemical Works." (*In printing the record, the word *not* has been omitted.)

15. To so much of said charge as says:

"If you find that the terms and subject-matter of the license and contract between the Rumford Chemical Works and Morgan, cannot be satisfied unless they apply to the extended as well as the original patent and its re-issues, and you further find that the Rumford Chemical Works afterwards obtained the extended patent, then the rights under the extended patent would immediately accrue to Morgan, so far as was necessary to support and carry out his license and contract."

The defendants prayed the following instructions, which were refused, to wit: (pp. 146, 147.)

1. That the instrument dated February 1, 1869, from the Rumford Chemical Works to Allen F. Morgan, only conferred upon Morgan the personal privilege of using the patented article in the preparation and sale of self-raising flour, and that such privilege terminated on the death of Morgan, and did not pass to his administratrix, and if the jury believe from the evidence that said Morgan died on on the 19th of April, 1869, they should find for the defendants.

Which instruction being refused by the court, the defendants then asked the next charges to-wit:

2. If the jury believe from the evidence that the Rumford Chemical Works, on the 1st day of January, 1866, granted to Allen F. Morgan a license precisely like the license dated February 1, 1869, to use the same patented invention for the period of five years from the said 1st day of January, 1866, ending on the 1st day of January, 1871, and that said Morgan on the 30th day of May, 1868, filed his petition in bankruptcy in the proper court, and ininserted in his schedule of assets the said license to use the said

patented invention, and that he was duly adjudged a bankrupt, and an assignee appointed and an assignment executed to him of the property of the bankrupt, as required by the bankrupt laws; then all the right which the said Morgan had at the time of his said bankruptcy passed to his assignee in bankruptcy, who thereby became the owner of the term of the said license unexpired and yet to run, on and after the said 30th day of May, 1868, and that the license subsequently granted to said Morgan on the 1st of February, 1869, did not operate to invest the said Morgan with the right to use the said patented invention during any part of the term covered by the said previous license of January 1, 1866, whether the same extended to the 1st of January, 1871, or terminated at the expiration of the original patent, on the 22d of April, 1870; and the plaintiffs are not entitled to recover in this action for any infringement of said patent during any part of the period covered by said first license of January 1, 1866.

3. The jury are instructed that the original patent, and the two re-issues thereof to the Rumford Chemical Works, as assignees of E. N. Horsford, which were given in evidence by the plaintiffs, expired on the 22d of April, 1870; that the term of the extension for seven years granted to said Horsford, would not pass to the Rumford Chemical Works by virtue of any assignment of the original patent, unless such assignment contained language showing an intention to pass such extension to said company, and that no such assignment has been given in evidence by the plaintiffs. But the plaintiffs have given in evidence an assignment of the said extension by said Horsford to said Rumford Chemical Works, dated May 21, 1870. And the jury are further instructed, that the interest which the said Rumford Chemical Works acquired in the said extension of the said patent by the assignment thereof by the said Horsford, on the said 21st of May, 1870, did not, nor did any part of the term thereof, pass to the said Morgan, or to his representatives or assignee, or enure to his or their benefit or advantage, under or by virtue of the said license granted to said Morgan by the said Rumford Chemical Works, bearing date the said 1st of February, 1869; but the right and interest of said Morgan, his representatives and assigns, ceased and determined on the 22d of April, 1870, when the original patent expired.

4. In this case the right to the patent only vested in the

plaintiffs as administrators of Morgan, if at all, and it is only for the damages sustained by them in that capacity that they can recover.

Plaintiffs, as administrators of Morgan, had no right to carry on the business of preparing self-raising flour, either for the benefit of the estate or of themselves individually. Their duty under the law, as the term was running out, and becoming constantly of less and less value, was to sell the right and disburse the proceeds to the creditors and distributees of Morgan. There can, therefore, be no recovery in this action of any damages to the business of the plaintiffs, as administrators of Morgan, for any part of the time between the 1st of April, 1870, and the 1st of February, 1874, which is the period covered by this suit.

All which instructions were refused by the court, to which refusal the defendants then and there excepted.

Defendants also requested the court to instruct the jury as follows: (Pp. 147, 148, 149.)

1. The license to Morgan, granted in February, 1869, under which plaintiffs claim, was in law the grant to Morgan of a personal privilege only, which died with him in April, 1869, and the jury will render a verdict in favor of the defendants.

2. The plaintiffs claiming as mere licensees, have no right to prosecute a suit for infringement of the patent, and the jury will return a verdict in favor of defendants.

3. The license to Morgan, granted in February, 1869, under which plaintiffs claim, was of no force or effect after the expiration of the term of the original patent, in April, 1870, and the jury will render a verdict in favor of defendants.

Should all the foregoing requests be declined, then in lieu of No. 1, the court is requested to instruct the jury as follows:

4. If the jury find from the evidence that all the alleged acts of infringement committed by defendants between April 1, 1870, and February 1, 1874, were done by them under the license granted to them by the Rumford Chemical Works in May, 1869, and were sanctioned by the said Rumford Chemical Works, then they are not liable to a suit for infringement, and the jury will return a verdict for defendants.

And also as follows:

5. If the jury find from the evidence that the invention of Prof. Horsford, described in the letters patent sued on, in the first

and second claims thereof, was in substance the same as that invented by Berzelius, and described in Gmelin's Hand-Book of Chemistry, published in 1846, at page 195, and further, that the invention described in the third claim of said patent, to-wit, the mixing process, was substantially the same as that patented by Fowler in 1845, as pleaded, the acid in Fowler's patent performing substantially the same chemical office, and accomplishing substantially the same result, as the acid in Horsford's patent, they are instructed that in law the one acid was an equivalent for the other, and that there was no patentable novelty in Horsford's invention, and in such case they will find for defendants.

7. If the jury find from the evidence that at the date of Horsford's patent, there were other acids then well known to chemists, druggists or merchants, that were in well known and common use for the purpose of being combined with alkaline carbonates, both to be mixed in a dry state in flour, and also to be used in the place of ferment or leaven in raising and making bread, and by the use of which other acids the desired results could be substantially as well secured as by the use of Horsford's acids; then there was nothing so far new in Horsford's invention or process as to make the same patentable, but both the third and fourth claims of his patent are void for want of novelty. And should all the foregoing requests be declined, then the court is requested to instruct as follows:

8. If the jury find for plaintiffs on the fact of the infringement, they will render a verdict for only the actual damages, to be ascertained by calculating the profits actually made by defendants during the period of the alleged infringement by the use of the patented acid, over and above what they could or might have made by the use during the same period of any other acid which they might have used in the preparation of self-raising flour in the same manner, and the difference in profits between the use of the patented acid and other acid that might have been used, will be the measure of damages; and if the jury find from the evidence that defendants, by the use of the patented acid made no profits, they will return a verdict in favor of the defendants.

All which prayers were refused.

ASSIGNMENT OF ERRORS.

1. The court erred in overruling defendants' demurrers to the

replications of the plaintiffs to the pleas of the statute of limitations.

2. The court erred in giving to the jury the several charges to which the defendants excepted, and also in refusing the several charges prayed by the defendants.

BRIEF.

I.

STATUTE OF LIMITATIONS.

The clauses of the statute of limitations of Tennessee relied on are the following:

"Sec. 2773. Actions for injuries to personal or real property; actions for the conversion and detention of personal property, within three years from the accruing of the cause of action."

"Personal property includes slaves, money, goods, chattels, things in action, and evidences of debt. Code, sec. 52."

"Sec. 2775. * * * Actions on contracts not otherwise expressly provided for, within six years after the cause of action accrued." Code of Tenn., 1871.

The exemption or disability clause is sec. 2757 of the Code, and is as follows:

2757. "If the person entitled to commence an action is at the time the cause of action accrued, either, 1, within the age of twenty-one years, or, 2, of unsound mind, or, 3, a married woman, or, 4, beyond the limits of the United States or the territories thereof: such person," etc.

The declaration alleges that Allen F. Morgan, the licensee, died in April, 1869, and that the plaintiff Kate, his widow, became his administratrix in July, 1869, and that she subsequently married her co-plaintiff Payne, and damages are demanded for an alleged infringement of the patent from April 1, 1870 to February 1, 1874.

The suit, by amendment made February 25, 1878, is now in the name of "the Rumford Chemical Works as plaintiff, for the use of J. N. Payne and his wife Kate G. Payne, who is administratrix of the estate of Allen F. Morgan, deceased."

To the pleas of the statute of limitations the replications are, that at the time when the cause of action accrued, the said Kate, to whom it really belongs, was and still is a married woman.

The demurrers to these replications were overruled, and the replications were held a good answer to the pleas.

It is settled in Tennessee that where an amendment is made in the name of the plaintiff, such as was made in this case, the suit is considered as commenced on the date of the amendment. and the statute of limitations runs to that time. Flatley v. Mem. & C. R. Co., 9 Heisk. 230.

1. In the first place, the plaintiff in this suit is the Rumford Chemical Works, and not Mrs. Morgan, or her husband. It is brought to assert certain pretended legal rights vested in this company, to the equitable benefit of which, when materialized, Mrs. Morgan is claimed to be entitled, by contract with the plaintiff. Her right, if it was a personal right and not in a representative capacity, to make use of the name of the plaintiff in bringing the suit, would not bring her within the disability clause of the statute as the "person entitled to commence an action."

The Rumford Chemical Works is under no disability, and the right to bring this action at law is therefore barred by limitation.

The parenthetical statement in these replications, that the cause of action really belongs to Mrs. Payne, if intended to mean anything, would itself make the replications bad, as a fatal departure in pleading. The writ and declaration being in a representative character, as administrators of Morgan, she could not set up a claim in her individual right in the replications.

2. We insist that a person acting in a fiduciary capacity cannot reply his or her own personal disability, as infancy, coverture, or absence, to a plea of the statute of limitations, in an action brought in such character, for a cause in which he or she has no personal interest, but acts only as trustee for others.

A person may act as executor at seventeen, unless prohibited by statute; (1 Wms. Exrs. 189, and note S) and certainly an infant or married woman may be appointed a trustee; and one of full age may absent himself "beyond seas." And it is settled that if an executor, administrator, or trustee for an infant, neglect to sue within the period of limitation, the *cestui que trust* will be barred. 2 Wms. Exrs. 1627. Wych v. East Ind. Co., 3 P. Wms. 309.

Whether such trustee can set up his own personal disability, does not seem to have been settled by adjudication, but it seems reasonable that he ought not to be permitted to do so. A married woman may execute any kind of power, and the concurrence of her husband is not required. And in reference to such trusts she is

sui juris. 1 Perry on Trusts, §48-51. 4 Kent Com. 324. Sugden on Powers, 144. Lewin on Trusts, 34.

The exceptions in the statutes of limitation are for the benefit of infants, married women, etc., and for the protection of their invidual rights and interests, belonging to them *beneficially*, and not for the advantage of third persons, not under disability, whom they may happen to represent in a fiduciary character. To extend their operation to cases like the present, would tend to defeat the object and policy of the statutes.

3. But in the case of a *feme covert* administratrix or executrix, there is no room for the application of such a principle, even if it exists in reference to other trustees. The law devolves the whole administration upon the husband, and enables him to act in it to all intents and purposes, with or without her assent. She can do no act without his consent and permission, and he possesses the whole power and interest that was vested in her as administratrix or executrix. Toller on Exrs. 241, 358. 2 Wms. Exrs. 825, 828.

It is true that this is the case only during the coverture. On the death of the wife, the power of the husband ceases; and on the death of the husband, leaving the wife surviving, the rights and powers of the latter revive, and she becomes again entitled to act in the administration. But during the coverture, the husband alone has the power to institute suits in the representative character. The wife cannot do it, except with his authority. Having the sole right to bring the action, and being under no disability himself, he certainly cannot avail himself of the disability of his wife as an excuse for his own failure to bring it in time.

Perhaps this view may properly apply in all cases of *feme covert* trustees.

The declaration demands damages for a continuous infringement from April 1, 1870, to February 1, 1874, and the replications allege that when the cause of action accrued, the female plaintiff was and still is a married woman. A part of the pretended cause of action, according to the pleadings, accrued on the 1st of April, 1870, and a part on every succeeding day during the said period. It does not appear by the pleadings at what date these parties were married, except that it was after July, 1869, and the absence of averment on this point justifies the inference most unfavorable to the plaintiffs. Hence we have the right to assume that this mar-

riage took place before April 1, 1870, and that therefore the *entire* cause of action accrued to Payne while he was acting as administrator in right of his wife, and when he had the sole right to bring a suit therefor. Indeed, such is the plain meaning of the pleadings themselves, and it is not necessary to resort to inference.

As more than three years had elapsed from February 1, 1874, to the filing of the amended declaration on Feb. 25, 1878, the entire cause of action was barred by the three years limitation, which is the limitation that applies to this case.

After the ruling upon the demurrer, the defendants, having no reason to doubt the truth of the statement of the plaintiffs as to the time of their own marriage, acquiesced in the ruling, and did not take issue on the replications. It is, however, proper to state that on the trial of the cause before the jury, Mrs. Payne testified as a witness, that she was not married to her present husband until the 28th of April, 1874, thereby wholly disproving the averments of the replications, and showing that the pretended causes of action accrued to her as administratrix, while she was under no disability, and consequently that the statutes of limitation had commenced to run before her marriage with Payne. On familiar and well-settled principles, no subsequently accruing disability would interrupt the running of the statute. But the case must be decided on the pleadings as they stand, and this view is not presented by the record.

4. It was not denied or questioned in the court below that the State statutes of limitation apply in the Federal courts, to actions at law for the infringement of patent rights. On the contrary the plaintiffs filed replications in confession and avoidance, and these were held good on the demurrers of the defendants. It was not competent for the court below, neither is it for this court, to extend the demurrer back to the pleas, and to inquire as to their sufficiency as a defence to the action.

The practice, pleadings, and forms and modes of proceeding in civil causes, other than equity and admiralty causes, in the circuit and district courts of the United States, are required to conform to the rules that prevail in the State courts. Rev. Stat. §914.

In Tennessee, under the Code of 1858, the demurrer must be interposed to the particular pleading objected to, and the rule of the common law that judgment may be given against the party whose pleading was first defective in substance, has been abolished. Hobbs v. Mem. & C. R. Co., 9 Heisk. 873.

But if the question was open upon this record, we insist that the State limitation law affords a good defence to the action.

It has been a fundamental principle, since the organization of the Federal courts under the constitution, that "the laws of the several States, except where the constitution, treaties or statutes of the United States otherwise require or provide, shall be regarded as rules of decision in trials at common law, in the courts of the United States, in cases where they apply." Rev. Stat. §721, re-enacting the 34th sec. of the act of 1789.

It has long been well settled, that under this section of the judiciary act, the acts of limitation of the several States, where no special provision has been made by Congress, form a rule of decision in the courts of the United States, and that the same effect is given to them as is given in the State courts. McCluny v. Silliman, 3 Peters, 270. Leffingwell v. Warren, 2 Black, 599. Hanger v. Abbott, 6 Wall. 537. Brown v. Hiatts, 15 Id. 183.

The first of these cases arose under the laws of the United States.

There has been no decision of this court on the question whether such statutes apply to suits for the infringement of patents, and the rulings of individual judges, in the circuit and district courts, on the question, have not been uniform.

That the State statutes apply in patent suits, just as much as in any others, has been affirmed in the following cases: Parker v. Hawk, 2 Fisher's Pat. cas. 58. Parker v. Hall, 2 Id. 62. Rich v. Ricketts, 7 Blatchf. 230.

While the contrary has been held in the following cases: Collins v. Peebles, 2 Fisher, 543. Parker v. Hallock, Id. Read v. Miller, 3 Fisher, 310. Anthony v. Carroll, 9 Off. Gaz. 199.

It is not believed that these cases last cited show any good reason why patent causes should constitute an exception to a general rule, so well established and so wholesome; a rule in its nature not admitting of exceptions on principle, but only on the ground of express congressional enactment.

The only question would really seem to be, whether Congress has so legislated on the subject as to exclude the application of the State law.

The only legislation on this subject, so far as we are aware, was contained in the last clause of sec. 55 of the Patent Act of

1870, page 206, in these words: "But all actions shall be brought during the term for which the letters patent shall be granted or extended, or within six years after the expiration thereof."

Even this provision has been omitted from the Revised Statutes, which took effect from Dec. 1, 1873, and has been repealed.

But when in force, it was not sufficient to supersede the State legislation, assuming that the latter would be applicable in the absence of regulation by Congress. It lacked the usual form and substance of a statute of limitations. It was not repugnant to the State law, but altogether consistent and compatible with it. Both might well stand together in perfect harmony. Indeed, this clause of the act of Congress might properly be regarded as additional and cumulative to the State law, the intention being that at all events suit should be brought within six years after the expiration of the letters-patent, if not sooner barred by the State statute.

The repeal of this provision, after so brief an existence, is significant. The reasonable inference is, that it was the intention of Congress thereby to leave the whole matter to be regulated entirely by the State law, as is the case with all other actions. In view of the wise policy universally prevailing, of fixing some limit to the prosecution of stale demands, it would be quite unnatural to suppose that Congress intended to leave this class of actions, which are not entitled to peculiar favor, without any limitation whatever.

II.

ASSIGNMENT OR LICENSE?

The fourth, fifth, and ninth exceptions to the general charge are well founded.

The portions of the charge here excepted to affirm that the instruments of February 1, 1869, under which plaintiffs claim, are an assignment of an exclusive interest in the patent, such as by the patent act was "assignable in law," and passed to Morgan's administratrix; and which were not a mere license.

Three instructions prayed by defendants, No. 1, page 146, No. 1, page 147, and No. 2, page 148, cover the same point, and were improperly refused. These prayers affirmed that the instruments were a license, conferring only a personal privilege, which terminated on the death of Morgan, and that if Morgan had died on the 19th of April, 1869, the jury should find for the defendants.

This question, we insist, is absolutely concluded by the pleadings. This suit was brought by Payne and wife, as administrators of Morgan, in their own names, and the declaration alleged an assignment of an exclusive interest in the patent.

The defendants craved oyer of the pretended assignments, and having set out these instruments of February 1, 1869, under which plaintiffs claimed, demurred to the first amended declaration, on the single ground that said instruments were not an assignment, but merely a license to Morgan to use the invention for limited purposes, and for a limited time, and did not give plaintiffs the right to sue in their own names.

On argument this demurrer was sustained, and the instruments were held to be a license, and not an assignment. Thereupon the plaintiffs, by leave of the court, amended the declaration, by inserting the name of the Rumford Chemical Works as plaintiffs, suing for the use of Payne and wife, as administrators.

The suit then, as it stands, is a suit *upon a license*, and plaintiffs cannot be heard to say, against their own declaration, that it is upon an assignment.

And if the instruments are admitted to be an assignment, then this suit must go out of court; for unless the legal title is in the Rumford Chemical Works, they cannot sue for the use of Payne and wife, but the latter must sue in their own name. It is impossible for the court to hold that these instruments are an assignment, and at the same time that the plaintiffs can recover under these pleadings.

But the decision of the court on the demurrer was correct: these instruments are a mere license.

It must be observed that these papers are dated February 1, 1869, and their character and effect are therefore to be tested by the patent act of 1836, which was then in force.

By the 11th section of the act of 1836, "every patent shall be assignable in law, either as to the whole interest, or any undivided part thereof, by any instrument of writing, which assignment, and also every grant and conveyance of the exclusive right under any patent, to make and use, and to grant to others to make and use the thing patented within and throughout any specified part or portion of the United States, shall be recorded," etc.

By section 14 damages for infringement "may be recovered by action on the case, in any court of competent jurisdiction, to be brought in the name or names of the person or persons interested, whether as patentees, assignees, or as grantees of the exclusive right within and throughout a specified part of the United States."

These sections embrace every assignment, or grant of a part, or the whole, of the interest in the invention, and enable these parties to deal with it, in all respects, the same as the patentee. Wilson v. Rousseau, 4 How. 679.

In the construction of these sections it is settled that an assignment or grant, as contradistinguished from a license, must be, 1, an assignment of the whole patent; or, 2, of an undivided part of the whole patent; or, 3, a grant of an exclusive right to the whole patent, within a specified part or portion of the United States, and which must embrace the entire monopoly, for the whole time, and must entirely exclude the patentee.

A transfer of any less interest than this is a mere license. Curtis Pat. 4 Ed., §§178 to 182, 193, 211, 212, 346, 347. Gaylor v. Wilder, 10 How. 494. Blanchard v. Eldridge, 1 Wall. jr. 337. Littlefield v. Perry, 21 Wall. 219. Brooks v. Byam, 2 Story C. C. 525, 541. Sanford v. Messer, 1 Holmes 149. Hill v. Whitcomb, Id. 317. Potter v. Holland, 4 Blatchf. 206. Baldwin v. Sibley, 1 Cliff. 155. Suydam v. Day, 2 Blatchf. 20. Kempton v. Bray, 99 Mass. 353. Howe v. Woolridge, 12 Allen, 21. Farrington v. Gregory, 4 Fisher, 223.

In this case there was no assignment to Morgan of the whole patent, or of any undivided part of it, nor was there any grant of an exclusive right to make and use, and to grant to others the right to make and use, the thing patented, in any specified part of the United States.

Morgan's license, it is true, was for a specified portion of the United States, but it was not exclusive.

The right to make, and to grant to others the right to make or use the patented article, was not granted to him at all.

The only grant made was of the right to use the patented article for one specified purpose, to-wit, the manufacturing of self-raising cereal flour; and that only for the period of five years.

The patentee, and his assignee, were not excluded from the territory, but might make and vend the article within the territory, and

might use the same therein certainly for all purposes except manufacturing self-raising flour. The specifications show that this acid "*has many uses in manufactures*," and among other uses, the preparation of yeast powder or baking powder is specified, and this use was not granted to Morgan. The right to put the article in the use of families for domestic purposes is also expressly reserved.

This reservation does not bring the case within that of Littlefield v. Perry. In that case there were an absolute assignment of the whole patent within certain States, and a separate agreement whereby certain reservations were made, and these were held to amount to an assignment, with a license back to the assignor. Here the grant is not of the whole patent, but only of the right to use the patented article for a single purpose. The distinction is obvious. In this respect the case of Washburn v. Gould, in 3 Story Rep. 130, is similar to Littlefield v. Perry.

In Wilson v. Rousseau, 4 How. 686, the instrument was held an assignment, because it entirely excluded the patentee from the territory, notwithstanding the assignee was limited to the use of two machines. The same case in 9 How. 109 only involved the right to repair the particular machines.

An *exclusive license* is no more than a common license, unless it vests in the licensee a right to grant to others the right to make and use the thing patented. Curtis Pat. §212, and cases cited.

It is clear, then, that the instruments under which Morgan claimed constituted a license, and not an assignment.

It would not be different if the question depended on the patent act of 1870. True, the language used is somewhat different, but not essentially so. Section 36, which is section 4898 of the Revised Statutes, says: "Every patent, or any interest therein, shall be assignable in law by an instrument of writing, and the patentee or his assigns, or legal representatives, may in like manner grant and convey an exclusive right under his patent to the whole, or any specified part, of the United States."

In Littlefield v. Perry, 21 Wall. 219, the court employs the language contained in this section of the act of 1870, as the law on the subject of assignment, and applies to it the construction settled in Gaylor v. Wilder, evidently treating the two acts as identical in meaning.

In Nelson v. McMann, 16 Pat. Off. Gaz. 761, it was expressly decided that the distinction made by the act of 1836, and thereafter

defined by the courts, between patentees, assignees, and grantees of exclusive rights, and licensees, was not changed by the act of July 8, 1870.

It has also been decided that there is no essential difference between the clauses of the same sections of the two acts, that relate to the recording of assignments. Turnbull v. Weir Plow Co., 6 Bissell, 231.

The doctrine of Gaylor v. Wilder has been recently recognized by the learned Judge of the Southern District of New York. A grant of "the sole and exclusive right to sell certain patented articles in a specified territory," does not pass an interest in the patent; but is only a license, and the licensee cannot sue in his own name for an infringement. Ingalls v. Tice, 13 Reporter 676. 16 Id 40

That the patentee, assignee, and grantee, must sue in his own name for an infringement, is declared by the 14th section of the act of 1836, and substantially the same language is used in section 59 of the act of 1870, and in section 4919 of the Revised Statutes. Agawam Co. v. Jordan, 7 Wall. 593. Gordon v. Anthony, 16 Off. Gaz. 1135. Blanchard v. Eldridge, 1 Wall. jr. 337. Curtis Pat. §347, 211.

Suits for infringement cannot be brought in the name of the licensee, but must be brought in the name of the patentee or other person holding the legal title. Curtis Pat. §211. Nelson v. McMann, 16 Off. Gaz. 761. Littlefield v. Perry, 21 Wall. 223.

This is because a license is not an interest in the patent, within the meaning of the patent law.

If we are correct that Morgan held a license and not an assignment, then the other proposition contained in this part of the charge, to-wit, "that the property Morgan had in this patent passed to his administratrix, and did not terminate with his death," is also erroneous.

The license is to Morgan alone, and does not mention his assigns or representatives: and it is well settled that a mere license to a party, without the words "his assigns," or equivalent language, showing that it was meant to be assignable, is only a grant of a *personal power* to the licensee, and is not transferable by him to another. Troy Iron Fac. v. Corning, 14 How. 216. Curtis on Patents, §213, 347. Brooks v. Byam, 2 Story 525, 554. Baldwin

v. Sibley, 1 Clifford, 156. Gibson v. Cook, 2 Blatchf. 146, 149. Blanchard v. Eldridge, 1 Wall. jr. 339.

The proof in this case shows that words indicating assignability or transmissibility were intentionally omitted, in order that it might clearly appear that the privilege given was not to be transferable.

Maurice, of the firm of J. Dwight & Co., testifies, "the rights are not sold, but given to those most likely to conduct the business to the best advantage." Record, 94. Ans. to 1 Int.

In their letter of April 24, 1869, to Oliver, Finnie & Co., John Dwight & Co. say, "the license reverts to us (on Morgan's death.) There is no provision in it recognizing heirs, executors, administrators or assigns." (P. 68.)

In their letter to Mrs. Morgan, of May 8, they say, "this thing is not like the assignment of a patent. There is no absolute right conveyed, and no power of assigning such a right, if there had been one." (P. 52.)

These charges were sustained in argument in the court below, on the idea that each separate claim made in the specifications constituted a distinct and separate invention, and that the letters patent were distinct and separate patents for each of these claims, so that each claim might be assigned as a separate patent. It was furthermore contended that the second re-issue was a good patent for the third claim, and that the license to Morgan was a complete and exclusive assignment of the whole right under this claim, in the specified territory.

If the premises of this argument were conceded, the conclusion would by no means follow, for the license is only for five years, and therefore does not exclude the patentee or his assigns from the territory, and it does not even confer the exclusive right to use the article therein during its continuance.

But, further, each separate invention must be separately patented.

The only exception admitted is where several machines tend to the same object and end, and all are capable of being employed together, or each separately, to produce the result. In such cases separate machines may be included in the same patent. Curtis Pat. chap. iii, sec. 107, *et seq.*

In all cases the *use* is inseparable from the machine or article patented. There cannot be one patent for the machine or article,

and another patent for its use in the things to which it is adapted. The patentee, or his assignee, may confer the right to use, without the right to make and vend, but these are examples of a license, and not of an assignment.

And, if it be true, as contended by the plaintiffs, that each claim constitutes a separate and distinct invention, then the re-issue of June 9, 1868, is void as to the third claim, for the reason that it was not embraced in the original patent.

This point will be more particularly presented in connection with the validity of the fourth claim.

The defendants asked an instruction (No. 4, p. 148) to the effect that, if the alleged acts of infringement complained of were done under the license granted to defendants in May, 1869, by the Rumford Chemical Works, and were sanctioned by said Rumford Chemical Works, the defendants are not liable to an action for infringement on account thereof. This was refused by the court.

If the instruments in question gave only a personal privilege, and if that to Morgan ceased on his death, this instruction ought to have been given, and it was error to refuse it.

But the instruction involves more than that. The Rumford Chemical Works first granted the right to Morgan, and afterwards granted a similar right to the defendants. Whether these rights amounted to assignments, or only to licenses, the proposition asserted by the instruction is that the Rumford Chemical Works can not maintain a suit for the use of its first grantee, against its second grantee, for acts done with its consent, and under its authority.

The doctrine is familiar, that where a negotiable instrument is transferred by delivery, without being endorsed by the payee, or where an instrument or claim not negotiable is transferred, whether by writing or otherwise, the suit must be in the name of the assignor. Courts of law will take notice of the assignment, and will protect the rights of the assignee.

In such cases the suit is brought to enforce the legal rights of the assignor, the benefit of which has been made over to the assignee, and the latter has the right to use the name of the former in the prosecution of the suit, without his consent.

In reference to patent cases, it is said in Littlefield v. Perry, 21 Wall. 223, which was a bill in chancery, that, "A mere licensee cannot sue strangers who infringe. In such case redress is obtained

through or in the name of the patentee or his assignee. Here, however, the patentee is the infringer, and *as he cannot sue himself*, the licensee is powerless, so far as the courts of the United States are concerned, unless he can sue in his own name."

The conclusion from this is, that where the patentee or his assignee is the infringer, the licensee may sue in his own name. But surely not in a court of law. His title is not a legal, but only an equitable title, and his remedy is therefore in equity.

The second count of the declaration expressly alleges that the Rumford Chemical Works were joint infringers with defendants, though not sued. This instruction brings the case on the proof within the same category as to both counts.

The assignor of a chose in action cannot afterwards release it, or deprive the assignee of the right to use his name in proceedings at law to enforce it. But there is a clear distinction between such cases and the present. Here the owner of a patent transfers a limited equitable interest in it, and afterwards combines with third persons to infringe the right so transferred. We submit that such person cannot sue his co-infringer at law, for the benefit of the licensee.

III.

OWNERSHIP OF EXTENSION.

The first exception taken to the charge as given is well founded.

The charge asserts it to be beyond dispute that on the 1st of April, 1870, and on to the 1st of February, 1874, the Rumford Chemical Works owned the re-issues of the patent (of April 22, 1856,) *and the "final extension thereof, by direct grant from the government."*

This fact was strenuously disputed on the trial, and the question now is whether the charge was correct or not, in holding that the proposition was established beyond dispute by the proof.

The original patent was issued to Horsford. No assignment of it by him to the Rumford Chemical Works was produced or proved. But two re-issues of the patent to the Chemical Works, as assignees of Horsford, the last dated June 9, 1868, were given in evidence. These, it may be admitted, were sufficient to invest the company with the title to the invention for the residue of the original term of fourteen years from April 22, 1856, to-wit, to April 22, 1870.

An extension of the patent for seven years from April 22, 1870, was granted to Horsford, the original patentee; (record, p. 39,) and plaintiffs put in evidence an instrument showing that on the 21st of May, 1870, Horsford sold and assigned this extension to the Rumford Chemical Works. Record, p 48.

This was all the evidence on the subject of the ownership of the extension, and it is manifest that there was no foundation for the charge to the jury that the Chemical Works owned this extension by direct grant from the government, or by any other means, from April 1, 1870, or even from April 22, 1870.

The point was important, and the instruction was injurious to the defendants; for, taken in connection with the third charge asked by defendants and refused by the court, (record, p. 147,) it in substance told the jury that the administrators of Morgan were entitled, under the license from the Rumford Chemical Works, of February 1, 1869, to recover damages for the infringement of the patent during the period from April 22 to May 21, 1870, when the entire ownership of the extension was unquestionably in Horsford.

IV.

EXCLUSIVE RIGHT.

The second exception to the charge is also well taken.

The substance of the charge on this point is, that by the contracts between the Rumford Chemical Works and A. F. Morgan, dated September 9, 1865, and January 1, 1866, "the exclusive privilege of using the patented article was given" to Morgan.

A reference to the contracts alluded to shows that only "the right to use within the territory described, Horsford's patent cream of tartar substitute, *for the purpose of manufacturing self-raising cereal flours*, with the right to use and sell the flours so manufactured," was granted by the terms of the license. It does not even say the *exclusive right*. But the corresponding agreement signed by Morgan claims the grant to be "the exclusive right to manufacture, sell, and use, the article known as self-raising flour from cereals, by the use of Horsford's Patent Pulverulent Phosphoric Acid."

All that is granted, then, is the exclusive right to use the patented article for a *single purpose*. The patent itself claims that the patented article "has many uses in manufactures," besides the preparation of self-raising flour. It is shown that it may be used

in the production of "bread-powders," a familiar article of commerce, and "soda-powders"; and these contracts themselves recognize on their face that the acid may be "used by families for domestic purposes," and such use is not an interference with the license.

It is plain, then, that the "exclusive use of the patented article," was not given to Morgan. This point is important, because the license of February 1, 1869, under which this action is brought, is in precisely the same form as those alluded to in this part of the charge, and the ruling bears directly on the question of the character of these instruments as an assignment or a license.

V.

ASSIGNMENT OF EXTENSION.

The eighth exception to the charge is well founded; (record, 150) and the court erred in refusing the third instruction asked by the defendants. (Record, 147.)

The defendants requested the court to charge in substance that the term of the extension granted to Horsford, would not pass to the Rumford Chemical Works by any assignment of the original patent, without the use of language showing an intention to pass such extension, and that no such assignment had been given in evidence.

Also, that the interest which the Rumford Chemical Works acquired by the assignment of the extension to them by Horsford, on the 21st of May, 1870, did not pass to Morgan by virtue of the license of February 1, 1869, treating the same as an assignment, but that Morgan's interest determined on the 22d of April, 1870, when the original patent expired.

To the same effect was another charge asked by defendants on the same subject. (Record, p. 148, No. 3.)

These prayers were refused, and instead of them the court charged that "by this contract (the license of Feb. 1, 1869,) the patentees necessarily conveyed to Morgan the same right, for the unexpired term of his contract, in the extended patent that he had in the original patent." This, as explained by the context, is because it is assumed that "the intention that Morgan should have the extended patent is as clearly manifested by granting him the right for a time beyond the expiration of the original patent, as it would have been by express stipulation."

In the first place, we dissent from the position that the term of the license of February 1, 1869, can be any evidence of an intention of the Rumford Chemical Works to pass an interest in the subsequent extension of the patent. What it did mean, and why the license covered so long a period, will appear presently. But right here, in answer to the position taken by the court, we may remark that the Chemical Works had no right or power to obtain an extension of the patent; that that right belonged to Horsford alone; that it was not known that Horsford would apply for, or obtain such extension; that it was unknown whether the Chemical Works could or would purchase the extension when obtained; and that in fact they never did acquire the whole period of the extension, but only the residue after one month of the term had elapsed. In this view, it seems hardly justifiable to infer from the term of the license, an intention on the part of the Works to give to Morgan a fixed and certain privilege in this possible and problematical extension. We shall show that the extent of the license is explainable on a different theory, to-wit, that there were other patents, under which this license was granted, and which covered the whole period.

On the merits of these charges, we have already observed, that the plaintiffs have not produced any assignment of the original patent by Horsford to the Chemical Works. They produce *re-issues* of the patent, granted by the Patent Office to the Works, as assignees of Horsford. Of course, then, they cannot pretend that there was any assignment of the original patent that covered possible extensions of it. All that appears is that, by the decision of the Patent Office, they were considered to be the assignees of the patent, and entitled to the re-issues. Besides, the subsequent purchase of the extension, after it was obtained, is a conclusive admission that they did not own it before.

It is well settled that an extension of a patent will not pass by a mere assignment of the patent itself. The instrument must contain words showing that it was intended to include an extended term, in case an extension should be granted. Curtis on Patents, §198, 200. Wilson v. Rousseau, 4 How. 646. Hendrie v. Sayles, 98 U. S. 550. Washburn v. Gould, 3 Story 122, 135. Woodworth v. Sherman, Id. 171, 2, 4. Gibson v. Cook, 2 Blatchf. 146. Hodge v. Hudson R. R. Co., 6 Blatchf. 88, 90.

The principle settled by these cases is, that nothing will pass by an assignment or license, more than the grantor has at the time,

unless a contrary intention is expressed. They also show what language has been held sufficient evidence of such intention.

But it is argued that on giving the license in question, there was an implied warranty of the title for the term of the license, and that when the Rumford Chemical Works purchased the extension on the 21st of May, 1870, the right so acquired enured to the benefit of the licensee.

This is by no means the charge given by the court.

But if we admit this proposition to its full extent, it is not sufficient for the plaintiff's purpose. There would still remain the period between April 22, 1870, when the patent expired, and the 21st of May, when the extension was purchased, during which the extension belonged to Horsford, and which was never acquired by the Rumford Chemical Works. This period could not have passed to Morgan, or to his representatives, by virtue of the license, for the simple reason that the grantors of the license never owned it. Yet the charge, in effect, is that the license necessarily conveyed to Morgan the same right in the extended patent, whether the licensors owned it or not, that he had in the original patent, which they did own, for the unexpired term of his contract; and under this charge plaintiffs recovered damages for the infringement during this month, from April 22 to May 21, 1870.

We, however, dispute the application of the doctrine of estoppel to such a case as the present, even as to the time subsequent to the purchase of the extension by the Rumford Chemical Works.

1. Because, on the authority of the cases cited, nothing passed by the license more than the grantor had at the time.

2. There was no consideration given for the license, and therefore no warranty can be implied, and no estoppel can arise.

3. The doctrine of implied warranty only applies to *sales* of personal *chattels* in possession, and not to transfers of choses in action, or incorporeal rights. Such property are not "goods and chattels." Benj. on Sales 89.

4. No warranty is implied on the sale of a patent right. Curtis on Pat. 4 ed. sec. 184 and notes. Schouler on Pers. Prop. 384. Hyatt vs. Twomey, 1 Dev. & Bat. Eq. 315, 318. Causler vs. Eaton, 2 Jones Eq. 499.

In the case of real estate, an after acquired title will not pass by estoppel unless there is a covenant of warranty, or some recital

or averment in the deed that the grantor is seized of the estate which he undertakes to convey. Rawle on Cov. 408. Bigelow Est. (I Ed.) 336, 340, 347. 3 Washb. R. P. (*466,) top p. 90.

Leases for years perhaps afford the closest analogy to cases like the present, and in reference to these it is the established doctrine that if any interest passes, less than for the whole term of the lease, and the lessor afterwards acquires the title for the residue, he will not be estopped from asserting it against his lessee, notwithstanding the usual covenants of the lease. Bigelow Est. (1 ed.) 331, 334, (2 ed.) 290. 3 Washb. R. P. (*478) top p. 108. 2 Smith Lead. Cas. 657. Taylor Land. and Ten. §87.

In the present case the license was good at least for the unexpired term of the patent of 1856, if that was the patent under which the license was granted.

In this connection it is proper to consider the fifteenth exception to the charge, which relates to another clause on the same subject just discussed.

The proposition excepted to is that "if the terms and subject matter of the license and contract between the Rumford Chemical Works and Morgan cannot be satisfied unless they apply to the extended as well as the original patent and its re-issues, then the rights under the extended patent, when obtained by the Rumford Chemical Works, would immediately accrue to Morgan, so far as was necessary to support and carry out his license and contract." (Record, 145.)

This charge, given on the request of plaintiffs' counsel, is erroneous in several respects:

1. It submits to the jury the construction of two written instruments; the license and contract, to determine what is necessary to satisfy their terms and subject-matter; and whether the assignment of the extension was sufficient to pass the whole extension from the date of its issue.

In regard to the latter, the jury ought at least to have been told that the assignment only passed the residue of the period of extension, to run from and after the date of the assignment.

2. It was error to charge that anything passed by the license to Morgan more than the Rumford Chemical Works owned in the patent at the time.

3. The instruction submitted to the jury a hypothesis which there was no evidence to support.

The license itself merely grants the right to use "Horsford's patent cream of tartar substitute" for the single purpose specified, and makes no mention of any particular letters-patent The corresponding agreement, constituting part of the license, shows that the rights granted are "such as are covered by the *patents* granted to Eben N. Horsford, and by him assigned to the Rumford Chemical Works;" implying that there are more of these patents than one.

The record clearly shows, beyond any dispute or controversy, that there were other patents to Horsford for this phosphoric acid, under which the license of February 1, 1869, was satisfied without resorting to the extension of the patent of 1856; and under which Morgan and his administrators claimed that this license was good and effectual for the whole time.

By reference to the first declaration filed in this very cause, on page 3 of the record, it will be seen that plaintiffs brought this suit on a patent dated April 14, 1868, granted to Horsford for "a new and improved method of preparing acid phosphate of lime," and an assignment of the same by Horsford to the Rumford Chemical Works on the 28th of July, 1868, under which patent they alleged that the right to prepare self-raising flour was granted to Morgan by the license of February 1, 1869. Plaintiffs thus based the validity of said license, and their right to recover in this action, upon the said patent of April 14, 1868. It is true they afterwards filed amended counts, setting up the patent of April 22, 1856, but the record shows (page 153,) that after the jury was sworn, the plaintiffs insisted on their right to proceed to trial upon the original as well as the amended declaration.

Further, defendants put in evidence the record of a suit in the State Circuit Court, wherein Kate G. Morgan, as administratrix of Allen F. Morgan, was plaintiff, and the said Oliver, Finnie & Co. were defendants. (Record, 117 to 136.) From this it appears that on the 15th of February, 1869, Morgan and these defendants entered into an agreement to carry on jointly the business of manufacturing self-raising flour for a period ending April 1, 1870. Mrs. Morgan, as administratrix, sued the defendants for damages for refusing to carry on the business with her, after her husband's death on the 19th of April, 1869. Of course, this license of February 1, 1869, and the power of the Rumford Chemical Works to grant it, was at the foundation of any right of recovery. To maintain

this license, she gave in evidence in that case the patent to Horsford just mentioned, dated April 14, 1868, for an "improved method of preparing acid phosphate of lime," No. 76,763; (record, 123;) and also the assignment of that and other patents by Horsford to the Rumford Chemical Works, dated July 28, 1868. (Record, 125.) This assignment also transferred another patent, No. 75,272, dated March 10, 1868, in favor of Horsford, for an "improved manufacture of acid phosphates to be used in food." It was, however, upon the patent No. 76,763, dated April 14, 1868, and the assignment thereof to the Rumford Chemical Works, that the plaintiff relied in that action, as the foundation of the license of February 1, 1869, and of the right of Morgan to manufacture self-raising flour by the use of Horsford's phosphoric acid.

We refer to this evidence for the purpose of showing that there were other patents besides that of April 22, 1856, under which all these parties claimed the right to manufacture this flour, and under which they claimed for the Rumford Chemical Works the right to issue this license, which patents fully covered the whole period of the license. And in view of these facts, unquestioned and uncontradicted, the charge was clearly erroneous. There was absolutely no evidence upon which the jury could find that the terms of the license could not be satisfied without embracing the extended patent. The whole proof was the other way, and as it was a mere question of the construction of written instruments, it was a question for the court and not for the jury.

An instruction which assumes the existence of facts of which there is no evidence, is misleading and erroneous. Jones v. Randolph, 104, U. S., 108.

What has been said in reference to the eighth exception, is also applicable to this.

VI.

ESTOPPEL.

The third and fourteenth exceptions to the charge are well founded.

One of the important questions in the cause was whether the instruments under which plaintiff's claim was set up, dated February 1, 1869, amounted to an assignment in the sense of the patent law, or merely to a personal privilege or license to Morgan, determinable on his death.

Proof was made by defendants of the conduct and declarations of Morgan in his lifetime, showing that he regarded it in the latter character, and that the defendants had been induced to act upon this conduct, and, after the death of Morgan, to accept a similar license from the Rumford Chemical Works, under the authority of which they had committed the alleged acts of infringement, and hence the defendants contended that plaintiffs, claiming under said Morgan, were estopped from contending that said instruments constituted an assignment. These facts are set forth in the 8th plea, page 26.

The court did not question that these declarations and conduct would ordinarily create an estoppel, but declined so to charge the jury in this instance, for the reason that "the defendants knew, as the undisputed facts show, that this legal opinion or binding construction of their contract by the Chemical Works and Morgan, was repudiated by his administratrix immediately after his death, and long before April 1, 1870." "Such conduct or construction, it is said, was not binding on his administratrix, by estoppel or otherwise, at least, not as to strangers."

The doctrine thus asserted, if correctly understood, is, that conduct which would have bound Morgan by estoppel, may be repudiated by his administratrix after his death, and will not be binding on her by estoppel or otherwise, although she is a privy in estate; at least, *not as to strangers.*"

The last suggestion, "as to strangers," has no application, for the defendants, Oliver, Finnie & Co., were not strangers. They were the very parties intended to be influenced, and who were actually influenced in their action, by the conduct and representations of Morgan, and their rights had become fixed when they received their license of May 1, 1869, which was long before they had any knowledge of Mrs. Morgan's intention to repudiate her husband's acts, and so far as the evidence shows, before she had conceived any such intention.

A brief statement of the facts bearing on this point, as they appear in the record, is necessary to a proper understanding of it.

Under the license of January 1, 1866, Morgan had prepared self-raising flour. Early in 1868 he failed, and in May he went into bankruptcy. He inserted this patent in his schedule, as a patent right for preparing self-raising flour, together with its accomplished patronage; (value) $10.000.

In the fall of 1868 he made an arrangement to prepare the flour with Finnie & Buckham, which was continued with the new firm when it was changed to Oliver, Finnie & Co.

After this latter arrangement was made, Morgan wrote to John Dwight & Co., agents of the Rumford Chemical Works in New York, by letter dated January 27, 1869, (amended record, ex. F,) that Mr. Finnie had informed him that they (J. Dwight & Co.) claimed that he (Morgan) had no right to include the privilege of preparing self-raising flour in his schedule, and that when he quit business the right became forfeited: also that the privilege granted him was not a patent right as alluded to in the bankrupt act; and that he had amended his schedule accordingly. He acquiesces in this conclusion, and asks for a new contract for five years from the 1st of February, 1869.

By the amendment of his schedule he represented that the right was not assignable or transferable, and had other conditions, and that he was notified by John Dwight & Co., agents of the Rumford Chemical Works, that the contract was forfeited, and that the rights of any purchaser would not be recognized. (Record, 102, 103.)

He thereupon received a new license in the same form, for five years from February 1, 1869, under which he made the new contract with Oliver, Finnie & Co.

He induced his assignee in bankruptcy, Mr. Cirode, not to make sale of the right surrendered in his schedule, by representing that it was not transferable. (Record, 113.)

He claimed under the new license, adversely to the former one.

By the counterpart agreement, signed by Morgan, the instrument was expressly called a "license," and not an assignment.

All these facts were well known to Oliver, Finnie & Co., and when Morgan died, which was in about two months, it became absolutely necessary for them to know the extent of his rights.

Morgan had already in his letter of January 27, 1869, recognized J. Dwight & Co. as the proper persons to decide that question, and had acquiesced in their decision.

The defendants, on the death of Morgan, were thus placed in a position where they must do one of three things, to-wit, 1, abandon the business just begun, or, 2, accept a new license to themselves; or, 3, go on under Morgan's license, at the risk of being sued by the Rumford Chemical Works, as infringers.

In this dilemma, they wrote on the 20th of April, 1869, to Jno. Dwight & Co., inquiring what effect Morgan's death had, and whether Mrs. Morgan held the right to manufacture after the decease of her husband, or who did hold it. (Record, 50.)

To this letter J. Dwight & Co. replied, April 24, 1869, "the license reverts to us. There is no provision in it recognizing heirs, executors, administrators, or assigns." (Record, 68.)

On the 1st of May, 1869, a license was issued to the defendants for five years from that date, in the same form as the previous licenses to Morgan, and it was under the authority of this license that they carried on the business for which they are now sued as infringers of Morgan's rights.

In all this the defendants acted on the faith of the representations and conduct of Morgan as set forth.

It appears that on the 3d of May, 1869, Mrs. Payne, then Mrs. Morgan, wrote a letter to John Dwight & Co., in which she earnestly besought them to permit *her* to carry on the business for *herself* and in her name; to which they replied on May 8, 1869, declining to comply, and explaining to her that "this thing is not like the assignment of a patent; there is no absolute right conveyed, and no power of assigning such right if there had been one." (Record, 52.)

This correspondence took place more than two months before Mrs. Morgan became administratrix of her husband, and was not in the interest of the estate, but of herself individually. It moreover constitutes the repudiation immediately after his death, of the conduct of Morgan, by his administratrix, on which the court below relied as avoiding the estoppel. But instead of repudiating the legitimate conclusion from this conduct, this correspondence confirms it; for, by asking that the right to carry on the business might be conferred on *herself*, she assumed necessarily that the right of Morgan under his license had determined.

However that may be, the defendants were certainly entitled to a charge whether, on the foregoing facts, the jury would be warranted in finding an estoppel. But the court refused to charge on the subject. The general principle was not denied, but the jury were told that it had no application to this case, for the reason that his administratrix, immediately after Morgan's death, had repudiated the acts and conduct from which the estoppel arose.

The charge given assumes to decide both the facts and the law, and decides both, as we apprehend, erroneously.

As to the facts, there was absolutely no proof that the administratrix of Morgan, immediately after his death, or at any time before defendants received their license, repudiated the construction put by Morgan upon his license; but the only proof was that his widow, who some two months afterwards became his administratrix, did, after she was informed that the license had been granted to defendants, apply to the Rumford Chemical Works to permit her to carry on the business, instead of them.

And had there been any amount of proof on the subject, it would have been no less an error for the court to assume the province of the jury, and to determine for them that the acts and conduct of Morgan had been repudiated by his administratrix immediately after his death, and long before April 1, 1870: a fact that was strenuously controverted.

As to the law, it is certain that Morgan's administratrors cannot claim anything more than he was entitled to in his lifetime; and if the circumstances of the case were sufficient to estop him from claiming against Oliver, Finnie & Co., that his license of February 1, 1869, was anything more than a personal privilege, it is too plain for argument that his representatives, claiming in privity of estate with him, cannot escape the estoppel by repudiating his conduct.

That part of the charge covered by the fourteenth exception was intended to express the same doctrine as that part covered by the third exception, and it is quite as objectionable.

This paragraph, in reference to the facts relied on as constituting an estoppel, says, "yet if his personal representatives after his death, and before defendants acquired their license, informed defendants that they intended to claim Morgan's rights, that would do away with the effect of Morgan's conduct as an estoppel."

This charge is based on an assumed state of facts, of which there is not only no proof in the record, but which is flatly disproved by the testimony. The license to defendants was issued May 1, 1869. Mrs. Morgan's first knowledge on the subject was derived from Oliver after its issuance. (Record, 51.)

Her letter of May 3 to Dwight & Co. did not assert any right in Morgan, but requested the privilege of carrying on the business for herself. She became administratrix in July, and the first notice

the defendants had that she made any claim in that capacity, was by the suit which she afterwards brought in the State court. Her letter of August 2, 1869, (record 52) only demanded that she should be allowed the benefit of her husband's contract with Oliver, Finnie & Co. This is the whole evidence bearing on the subject, and it is clear that there was no foundation for submitting such a proposition to the jury.

Besides, the jury had already been told by the court that the facts stated hypothetically in this clause of the charge did actually exist, as the undisputed facts showed.

VII.

EFFECT OF BANKRUPTCY.

The clause of the charge covered by the sixth exception was erroneous; and the court erred in refusing the second instruction prayed by the defendants on the same subject. (Record, 146.)

It is to be borne in mind that the Rumford Chemical Works, on the 1st of January, 1866, granted to Morgan for the term of five years, ending January 1, 1871, the very same rights and privileges which they afterwards assumed to give him for a similar period of of time, by the instruments dated February 1, 1869. Being identical in all respects except the date, the instruments of February 1, 1869, can have no other force or effect in law than those of January 1, 1866. If one was an assignment the other was.

In May, 1868, Morgan filed his petition in bankruptcy; was adjudicated a bankrupt; an assignee was appointed, and the regular assignment was executed. He had inserted in his schedule of property, his right under this license of January 1, 1866, valued at $10,000. It has already been stated that he afterwards amended his schedule by showing that his right was only a personal privilege, not assignable or transferable, and actually forfeited or terminated when he ceased to carry on the business; that by so representing it, he prevented his assignee from making sale of it; and that, acting on that idea, he obtained the new license on the 1st of February, 1869, under which the plaintiffs now claim.

There was no agreement between the Rumford Chemical Works and Morgan in February, 1869, by which they mutually consented that the license of 1866 should be cancelled, and a new one granted. The negotiation did not proceed on that basis. On

the contrary they acted on the assumption that the license of 1866 had already ceased to exist, and that it required a new license to enable him to proceed. This the Rumford Chemical Works were willing to grant, in the hope of being able thereby to secure a portion of the large debt he owed them.

Moreover they could not, in 1869, have cancelled the first license by agreement, if the right had passed to the assignee in bankruptcy.

On the trial of this cause plaintiff reverted to the theory of an assignment, and the court having refused the prayer of the defendants that these instruments were licenses, and not assignments, the defendants then prayed the instruction to the effect that, assuming them to be assignments and not licenses, the right for five years under the instruments of January 1, 1866, passed to the assignee in bankruptcy of Morgan, and that the plaintiffs could not recover damages for any infringement during the term covered by said instruments.

This charge was refused, and the jury were instructed that this would be true, unless they found from the proof that Cirode, the assignee in bankruptcy, "abandoned the contract to Morgan. Mere non-claim on the part of Cirode is not sufficient to effectuate this result. Whenever a person goes into bankruptcy, his contracts with other persons, which are beneficial, pass to the assignee, if the assignee chooses to assume the burden of carrying them out. Here the assignee found a contract such as has been given in evidence before you. It had attached to the exclusive interest in the patent, certain burdens of performance on the bankrupt's part, for the non-performance of which there were rights of revocation and forfeiture, such as you find in the contract itself. He could elect to take the interest and perform the contract, or he could refuse performance, and leave the interest with the bankrupt. If he elected to abandon the contract, the title to the interest in the property remained with the bankrupt. It is for you to say, from the evidence, which he did."

The fundamental error of this charge is, that it treats the right of Morgan under these instruments, as an executory contract for services and works, like an agreement to build a house, which the assignee may perform, if it will be profitable to the estate for him to do so, or refuse to perform, if performance seems likely to result in

loss, leaving the other party to prove his claim for damages for its breach.

Regarded in this light, this action could not be maintained for one moment; for if there was only an executory contract between Morgan and the Rumford Chemical Works, no action could be brought against these defendants for any violation of it; and it would be neither an assignment nor a license.

The theory of the case contended for on the trial before the jury, though wholly at variance with the theory of the pleadings, was that Morgan held a grant of an exclusive right of property in the patent, for the period of five years. We are now considering the case on the very improbable supposition that plaintiffs can, by establishing that theory, recover on these pleadings.

Now, whatever rights Morgan had he derived under these licenses. That of January 1, 1866, was for five years from its date, and extended to January 1, 1871. If any of these instruments passed a right of property, that one did, for they are all in the same form; and whatever he obtained under that instrument, he surrendered in bankruptcy. If he held a valid grant of an exclusive right for five years, to him, his representatives and assigns, then the time it had to run on the 30th of May, 1868, passed to his assignee in bankruptcy.

By the 14th section of the bankrupt act, (Rev. Stat. sec. 5044,) the assignment relates back to the commencement of the proceedings, and by operation of law vests in the assignee the title to all the property and estate of the bankrupt. Section 15 (Rev. Stat. §5046) enumerates "patent rights and copy rights" among the other property of the bankrupt which, it is declared, shall, in virtue of the adjudication of bankruptcy, and the appointment of his assignee, be *at once vested* in such assignee. Curtis on Patents, §174. Glenny v. Langdon, 98 U. S. 20. Trimble v. Woodhead, 102 U. S. 649.

No action or assent of the assignee is necessary to vest the title, nor can it be divested by abandonment, or any other act short of such sale or disposition as is contemplated by the bankrupt law. After the right of property, if such it was, became thus vested in the assignee, of course no action by Morgan or by the Rumford Chemical Works, could divest, or in any manner affect it. Hence it is plain that the license of February 1, 1869, if otherwise a right of property, was void as to all the time prior to January 1, 1871.

33 Eng C L 119.
2 Wash Va 106.
10 Hum. 589.

The right as to that period had passed under the papers dated January 1, 1866, from the company to Morgan, and from Morgan to his assignee in bankruptcy, by whom it was held until that term expired.

Cirode could have sold the right back to Morgan, but he did not. If he could have abandoned it to Morgan, without sale, which we deny, he did not. He merely abstained from making a sale of the pretended right, because Morgan informed him that it was not transferable, but had already ceased to exist as property.

There are classes of contracts which the assignee may elect to repudiate or abandon; but these are contracts for the personal services of the bankrupt; or such as would burden the estate, and subject it to loss if assumed by him.

And so there may be property which he is not bound to take into possession; but that is such as would charge the assignee with a burden or liability if he accepted it. Leases with burdensome covenants are an instance of this kind. The cases are collected in Bump on Banky. 506, 507, 10th ed. 1 Chitty Con. 367, 370. 2 Id. 1415, 1419. Glenny v. Langdon, 98 U. S. 30, 31.

The right of the assignee to reject property is confined to cases where he would be subjected to a burden or liability, if he took it, as in the case of leases, where he would become liable on the covenants as assignee of the lease. Berry v. Gillis, 17 N. H. 9. Glenny v. Langdon, *ut sup.*

Morgan never claimed or pretended that he got back from the assignee his former right under the license of January 1, 1866, on the ground that Cirode abandoned it to him, or elected not to take it. He treated that right as a personal privilege, not transferable, and as forfeited by his ceasing to carry on the business as required by his contract. On that footing he applied for, and obtained, the subsequent license of February, 1869, and he afterwards claimed under the latter alone.

The limitation of suits by or against assignees in bankruptcy to two years has no bearing whatever on the case. In the first place, there was no occasion for any suit to assert the rights of Morgan in this patent. If he had a grant of an exclusive right, it was executed and vested, and it passed to the assignee. There was no adverse claimant. (See Clark v. Clark, 17 How. 317.) It was not a thing capable of manual possession. The term was running out, and becoming less valuable every day. The plain duty of the assig-

nee, therefore, was to sell the right at the earliest moment, and thus realize what he could for the creditors.

And in the second place, his delay to assert his right, and to make sale of the property, does not redound to the benefit of the bankrupt. Where the assignee failed to sue within the two years, so that the limitation became a bar, and the claim was therefore regarded as abandoned, such abandonment will not confer any right on the bankrupt to sue. He is repelled and estopped by the assignment. Deadrick v. Armour, 10 Hum. Tenn. 589. To the same effect is the case of Erwin v. U. States, 97 U. S. 392. And in Trimble v. Woodhead, 102 U. S., 649, the court say, "We do not see on what principle the failure of the assignee to sue within two years, transfers his right of action to the complainant, (in this case, a creditor.) The right was certainly in the assignee, and, if barred by the statute of limitations, would, if it had any effect on the title, make good the title of defendant."

It makes no difference that this may have been a right of property dependent for its continuance upon the performance of conditions subsequent, and subject to be forfeited for non-compliance. The assignee could perform the condition or not, incur a forfeiture or not, as he saw proper, without imposing on himself any burden or liability whatever. The charge erroneously assumes that the assignee was bound to elect either to abandon the right to Morgan, or to perform the contract of Morgan by carrying on the business of manufacturing self-raising flour. But this is a great mistake. He was not tied down to any such alternative. On the contrary, his duty required that he should sell the right at once, and leave it to the purchaser to elect whether he would perform the condition or not. If it was a thing of any value whatever, the assignee could not reject it, but was bound to sell for the benefit of creditors. The declaration alleges that the right was of great value.

Some points were made in argument in the court below which it is not necessary to notice at length.

The English cases as to the respective rights of the bankrupt and the assignee to property acquired after the petition and before the discharge, are wholly irrelevant, because Morgan's rights, whatever they were, accrued before the bankruptcy, and also because, under our law, property acquired after the petition belongs to the bankrupt. Bump. Banky. 10 ed. p 487.

And so the English cases relating to the property of third persons, remaining in the order and disposition of the bankrupt, and of which he is the reputed owner, have no possible application. These cases relate to the right of the assignee to recover goods which have belonged absolutely to the bankrupt at a previous time, and which continue in his possession at the time of the bankruptcy. notwithstanding an alleged transfer of the title to a third person.

VIII.

VALIDITY OF PATENT.

The tenth and eleventh exceptions to the charge relate to the validity of the re-issued patent of June 9, 1868.

The defendants put in evidence the Hand-Book of Chemistry by Gmelin, published in 1846, containing the description of the three-fourths phosphate of Berzelius, and proved by Dr. Goodyear and Dr. Mansfield, experts in chemistry, that the article described is substantially the same as that described in the first and second claims of Horsford's patent.

They also put in evidence the Fowler patent, (record, 97,) and by the same witnesses proved its identity with the third claim of Horsford's patent.

On these points there was no conflicting evidence.

Defendants requested the court to charge the jury that, if the first and second claims of Horsford's patent were the same as the invention of Berzelius, and if the third claim was the same described in the Fowler patent, then Horsford's patent was void for want of novelty., (Record, 148, charge No. 5.)

This charge was refused, and in lieu of it the jury were told to disregard all the proof of want of novelty as to the first and second claims as irrelevant and immaterial. The question of want of novelty as to the third claim was submitted to the jury; and they were further told that even if the third claim, which was for mixing the acid with flour, was void for want of novelty, still the fourth claim might be good, and that the mixing of the acid with flour, and the sale of it, as matter of law would be an infringement of the fourth claim, so as to support a verdict for plaintiffs.

It is of course to be assumed that the jury found the third claim void, for the evidence was all on one side, and was quite conclusive, and the charge in reference to the fourth claim was sufficient to account for the verdict.

The novelty of this fourth claim was also submitted to the jury, but the charge assumed that it was in all other respects free from question, and the substance of the charge is, that the re-issued patent in question is a valid patent, provided the fourth claim is new and useful, notwithstanding the first, second and third claims might be void.

We complain of this charge as well on account of what was refused, as of what was given.

The validity of the first and second claims was more or less in issue. For if the acid, as a new manufacture, was not patentable; if the process of making it was not patentable; and if the mixing of the acid, with alkaline carbonates, in flour, was not patentable, it is difficult to perceive how this process of preparing the flour for use, and making sale of it, becomes an infringement of the fourth claim, which only covers the use of it in the preparation of food.

If everybody has the right to manufacture this acid, by the process described in the patent, and if everybody has the right to mix the acid in flour with alkaline carbonates, so as to produce a self-raising flour, and to sell the flour so prepared; and if these things are not patentable at all, and the claim of Horsford to appropriate them to his exclusive use by this patent be void, then how can the doing of any one or more of them be an infringement of the fourth claim of the same patent?

This particular patent has been before the Circuit and District Courts for adjudication, and the decisions upon it have not been uniform.

In Rumford Chemical Works v. Lauer, 10 Blatchf. 122, His Honor, Judge Blatchford, held the first and second claims void, because anticipated by the three-fourths phosphate of Berzelius. On a rehearing of the case, both claims were again held void because anticipated by Lawes' process of making dry super-phosphate, published in the journal of the Royal Agricultural Society in England, vol. 5, in 1845.

In Rumford Chemical Works v. Hecker, 10 Blatchf. 136, the same learned Judge held the third claim of this patent void, because anticipated by Fowler's patent.

But it was held, at the same time, that the *fourth* claim, for the actual use of *such* acid and alkali in making raised dough, had not been anticipated, and was patentable. Horsford, it was said, "was

the first to use phosphoric acid, or an acid phosphate for that purpose; and it required experiment and invention to find out whether phosphoric acid could be safely and successfully used in place of tartaric acid."

The learned Judge moreover held that the fourth claim was not infringed by mixing the acid and alkali in flour, and selling the flour thus prepared, but only by the actual use of it in making bread.

In Rumford Chemical Works v. Heckers, 10 Pat. Off. Gaz. 289, in the District Court of New Jersey, Judge Nixon followed the rulings of Judge Blatchford in regard to the first, second and third claims, though with doubt as to the third, and after stating that the third claim was for mixing the acid with flour, and the fourth for the use of the combined materials in making bread, held that the mixing of the constituents, and selling large quantities of the prepared flour, with intent to enable the buyer to convert it into bread, by the application of water and heat, was an infringement of the fourth claim.

In Rumford Chemical Works v. Vice, and the same plaintiff v. fifty-six defendants, 11 Pat. Off. Gaz. 600, Judge Benedict said that the third and fourth claims had been sustained in South Carolina, and he felt justified in granting a preliminary injunction.

These are all the cases we have found relating to this patent, and we submit that the view of it taken by His Honor Judge Blatchford is the most sound and satisfactory. If adopted by this court, the charge of which we complain was erroneous.

But we insist that the fourth claim of this patent is wholly void on other grounds.

This claim was not contained in the original patent, but made its first appearance in the second re-issue.

In the cases before cited, it is held to be a distinct and independent patentable invention or discovery, the patent for which may be valid notwithstanding the other three claims may be void. The circumstance that this claim was first made in a re-issued patent, does not appear to have been adverted to in any of the cases as having any bearing on the question of its validity, and it is to that feature of the case that we desire to ask attention.

The office of a re-issue, under the statute, is to correct defective or insufficient descriptions, arising from inadvertence, accident

or mistake; and it cannot be used to introduce or cover any patentable invention or discovery not contained in the original patent. And this is to be determined by the court on inspection and comparison. Curtis on Pat. §282, *c, et seq.* Powder Co. v. Powder Works. 98 U. S. 126. Manufac. Co. v. Ladd, 102 Id. 408. Manufac. Co. v. Corbin, 103 Id. 786. Miller v. Brass Co. 104 Id. 350. James v. Campbell, 104 Id. 356. Heald v. Rice, 104 Id. 737.

By reference to the original patent of April 22, 1856, it will be seen that the invention is described as an "improvement in preparing phosphoric acid as a substitute for other solid acids."

In the schedule the invention claimed is, "a new and improved preparation or substance, being a substitute for a pulverulent acid, for use in manufactures of *soda powders* and *other similar compounds*, where a dry acid is required." This substance is denominated "pulverulent phosphoric acid," and is said to have "many uses in manufactures;" but the capability of being used as "a substitute for cream of tartar and tartaric acid in the preparation of *yeast powder*, or *baking powder*," is the only one particularly mentioned.

The only claim made in this schedule is as follows: "I claim this 'pulverulent phosphoric acid' for neutralizing alkaline bases, and producing carbonic acid at will, from a mixture of this pulverulent phosphoric acid with alkaline carbonates, upon the addition of moisture, or heat, or both."

The re-issue of June 9, 1868, is for "an improvement in pulverulent acid for use in the preparation of soda powders, farinaceous food, and for other purposes." The four claims contained in the schedule to this re-issue, are expanded from the single claim of the original patent. The third and fourth are not contained in it at all.

We understand that the entire claim of the original patent has been held void for want of novelty. But if the third and fourth claims of the re-issue are patentable, or either of them, as distinct inventions or discoveries, it must be for the reason that they are for something not embraced by the original patent, and the entire re-issue is therefore void.

And if there are two or more distinct patentable inventions contained in the re-issue, then it is void also for the multifariousness, because different and independent inventions cannot be embraced in one patent. Curtis on Pat. §107, *et seq.*

It was contended in the court below that the defendants, having accepted a license from the Rumford Chemical Works in May,

1869, precisely similar to that given to Morgan, was thereby estopped in this action from disputing the novelty or utility of the patent, and 2 Wharton on Ev. §1149 was cited as authority.

The cases referred to by Wharton only go to the extent that in a controversy between the grantor and the grantee, the latter cannot dispute the *title* of his grantor. It has never been held that a purchaser, by the fact of purchase, is estopped to dispute the *quality* of the article sold.

Nor is it true as a general rule, that the grantee is estopped to deny the title of his grantor. Actions for the breach of covenants, express or implied, in regard to title, are among those most common in our courts.

The utmost extent of the rule is, that where the grantee has had the full enjoyment and benefit of the contract, he shall not escape from paying the consideration on the ground that his grantor did not have a good title.

It is the same principle, expanded in its application, that estops a tenant who has entered and enjoyed the property under a lease, from disputing his landlord's title when called on to pay the rent. Such is the case of Stott v. Rutherford, 92 U. S. 107.

In Sanderson v. Coleman, 4 Man. & G. 209, (43 Eng. C. L. 115), the acceptor, in an action by the indorsee, was not allowed to dispute the signature of the drawer.

In Doe v. Baytup, 3 Ad. & El. 188 (30 Eng. C. L. 67,) a person fraudulently obtaining permission to enter premises for a particular purpose, was not allowed to set up title against the person who gave him the license.

Kinsman v. Parkhurst, 18 How. 289, involves the same principle.

Besides, the patent law expressly authorizes the defences of want of novelty or utility, and that the invention is otherwise not patentable, to be made in all actions for infringement. This action is by parties claiming to be the prior grantees against the defendants, for an infringement.

IX.

RIGHTS OF ADMINISTRATORS.

The seventh exception to the general charge is well taken; and the court erred in refusing to give the fourth instruction prayed by the defendants.

These charges relate to the rights of the plaintiffs, as administrators. Defendants asked the court to charge that if the right to the patent vested in Payne and wife at all, it vested in them as administrators, and that it was only for damages sustained by them in that capacity that they could recover. That as administrators they had no right to carry on the business for the benefit of the estate, or of themselves individually; but their duty was to sell the right, and distribute the proceeds to creditors and distributees. And therefore no damages to the business of plaintiffs, as administrators, could be recovered. Record, 147.

This charge the court refused to give, but charged that, while the law of Tennessee was probably so, yet the defendants, not being creditors or distributees of Morgan, were not in an attitude to complain; that they could not rely on plaintiffs' breach of duty to others as a protection to themselves for an infringement of her rights. (Record, 141, 142.)

Plaintiff's usees, as administrators or otherwise, never attempted or undertook to carry on the business, but they claimed that the conduct of defendants deterred them from doing so, and they claimed damages for this injury to the extent of the profit they might have made if they had carried it on. It was to meet this pretension that defendants' charge was prayed.

Now, if it be true that the plaintiff's usees had no right to carry on the business, it would seem clear enough that they cannot claim to recover for profits which they might have made if they had done what it would have been unlawful for them to do. They did not violate the law in this respect, but the charge given permits them to recover for the conjectural injury which the infringement of the defendants might have done to their business, if they had unlawfully engaged in it. There is no element in such a view on which to estimate damages.

This charge is moreover in conflict with other charges given. Thus the court charged that plaintiffs might recover in addition to the profits of the infringer, "such other damages as the plaintiffs may have sustained in their business by reason of the infringement." (Record, 146.) That is, such damages as they sustained in their business *actually carried on by them.* And the court gave this further charge, to-wit, "Where the owner of the patent right does not make use of it himself, or carry on, or attempt to carry on, the

business covered by the patent, he cannot recover any damages for an infringement, beyond the profits made by the infringer"; in other words, he cannot recover damages to a business that has no existence.

This latter charge was right, and is wholly irreconcilable with the charge complained of. The defendants are the very persons in a position to complain of such a ruling.

And notwithstanding this last charge, the court again, in another connection, and in that part of the charge covered by the thirteenth exception, further instructed the jury that "if the defendants have by their operations made less than Morgan would have made, you will be authorized to find against them *the full profit Morgan's administratrix would have realized if she had carried on the business herself.*." (Record, 144.)

It is impossible to reconcile these instructions.

X.

DAMAGES.

If the action of the court on all the other questions shall be regarded as correct, there was nevertheless error both in giving and refusing instructions on the subject of damages.

The court, on the prayer of defendants, charged that plaintiffs were only entitled to recover the actual damages sustained; and that these damages consisted of,

1. The profits *actually made* by defendants by the infringement, not what they might have made by great diligence, or by more extensive infringements; and that these profits were to be esmated only on the flour actually prepared and sold, not on what might have been prepared; and,

2. Of such other damages as plaintiffs might have sustained in their business by reason of the infringement. But if the owner of the patent right does not make use of it himself, nor carry on, or attempt to carry on, the business covered by it, he cannot recover any damages for an infringement, beyond the profits made by the infringer. (Record, 145, 146.)

So far the charge was unobjectionable. But the court charged further that "in estimating the actual damages, the jury might look to the testimony to show the cost *to Morgan* of preparing the flour per barrel, the price at which he sold it per barrel, and the profit he made. That, enjoying the exclusive right to sell, it was one of his

most valuable privileges to fix the price to suit himself, and so regulate his own profits; and that it was incumbent on the defendants so to conduct their business as to expenses, and prices of the product of the patent, that their profits should not fall short of those *the plaintiffs*, (Morgan's administrators,) would have made if they had enjoyed their exclusive right to mix and sell the very flour sold by the defendants, at the time and under the circumstances which surrounded them in their acts of infringement. And that this is what is meant by saying that the defendants are not only liable for the gains they actually made, but also such as they should have made by proper diligence in and about the business."

"If, therefore," says the charge, "Morgan, or the plaintiffs. had established a fixed price per barrel as the difference between the crude flour and the prepared article, which HE always, or generally, demanded, you will be authorized to ascertain the profit *to him* by deducting the cost of preparation, and if the defendants have by their operations made less than the profit *Morgan would have made*, you will be authorized to find against them the full profit *Morgan's administratrix would have realized* if *she* had carried on the business herself."

And on request of plaintiffs, the court further charged that, if the defendants did not reduce their expenses in proportion to the the falling off of the business, the jury might look to that as evidence that they managed the business improvidently, and that by a proper and provident management of the business more profits would have been made than defendants made out of the business." (P. 145.)

These instructions are in irreconcilable conflict.

The testimony, about which there is no dispute, shows that Morgan quit the business in the spring of 1868, before he went into bankruptcy. In September, 1868, he commenced again in connection with Finnie and Buckham, and continued until January, 1869. In February, 1869, he made the arrangement with defendants, which continued until he died in April, 1869. Mrs. Payne testified, and these instructions assume, that the representatives of Morgan never attempted to carry on the business.

This suit is for an infringement from April, 1870, to 1874, and the uncontradicted testimony of Mr. Oliver showed that the business, during all that time, resulted in a loss to defendants. The books were produced, and were subject to examination.

In view of these undisputed facts, the jury were told that the defendants were only liable for the profits actually made by them, and not for what they might have made by great diligence; and then that they were not only liable for the gains they actually made, but also for such as they could have made by proper diligence. It was impossible for the jury to know which instruction they were to follow.

And in order to ascertain what profits the defendants might have made by proper diligence, the jury were told to look to what profits *Morgan* made while he carried on the business, and that defendants were bound to regulate their expenses and the prices of the prepared flour, so that their profits should not fall below what the *administrators of Morgan* could have made if they had carried on the business, and had mixed and sold the very flour sold by defendants.

This latter charge is also wholly inconsistent with the charge that if they did not carry on the business, they could only recover the actual profits of the infringer.

That it is error to give conflicting instructions, see Railroad Co. v. Miller, 40 Miss. 48. Whitfield v. Westbrook, Id. 319. Railroad Co. v. Kendrick, Id. 388. 3 Gra. & Wat. N. T. 801.

Aside from the question of conflict, the charges that were adverse to the defendants, were clearly erroneous.

By sec. 59 of the patent act of 1870, (Rev. Stat. 4919,) when the plaintiff recovers in an action at law for an infringement, the verdict is to be for the actual damages sustained, which the court may increase to three times that amount.

In equity causes, by sec. 55, (Rev. Stat. 4921,) the complainant is entitled to recover the profits made by the infringement, and, in addition thereto, the damages he has sustained thereby, to be assessed under the direction of the court, with like power to increase the same.

The rule in regard to actions at law is the same that it was under sec. 14 of the act of 1836, and also under sec. 3 of the act of 1800, except that under the latter act the recovery was three times the "actual damages" peremptorily, and the court had no discretion in regard to it.

The leading cases on the subject of the measure of recovery in equity, under these provisions, are Livingston v. Woodworth, 15 How. 446. Dean v. Mason, 20 How. 198. Rubber Co. v. Good-

year, 9 Wall. 788. Mowry v. Whitney, 14 Wall. 620. Elizabeth v. Paving Co. 97 U. S. 126. Marsh v. Seymour, Id. 348. Parks v. Booth, 102 U. S. 30.

These cases establish the proposition that in estimating the damages, only the actual profits realized by the infringer, or the actual loss suffered by the owner, can be recovered, not profits that might have been made by reasonable diligence. Curtis on Pat. §337, 338.

The following cases are to the same general effect: Guyon v. Terrell, 1 Blatchf. 246. Buck v. Hermance, Id. 398, 406. Wilbur v. Beecher, 2 Id. 132, 143. Hall v. Wiles. Id. 194, 201. Pitts v. Hall, Id. 229, 239; Tatham v. LeRoy, Id. 474, 494. McCormick v. Seymour, 3 Id. 209, 226. Sickles v. Borden, Id. 535.

The following cases relate to the damages in actions at law: Whittemore v. Cutter, 1 Gallis. 478, 482. Earle v. Sawyer, 4 Mason, 1. Seymour v. McCormick, 16 How. 480. Packet Co. v. Sickles, 19 Wall. 611. Philp v. Nock, 17 Wall. 460. Suffolk v. Hayden, 3 Wall. 315. Burdell v. Denig, 92 U. S. 716. Birdsall v. Coolidge, 93 U. S. 64.

These authorities speak of but three elements of damages: 1, the profits realized by the infringer; 2, the profits lost by the plaintiff by reason of the infringement, and 3, the amount charged as a royalty for a license.

Judge Story, in 1 Gallison, 482, says, "By the terms 'actual damages' in the statute, are meant such damages as the plaintiffs can actually prove, and have in fact sustained, as contradistinguished to mere imaginary or exemplary damages," and this is about as good a general definition as has been given.

These cases establish the following propositions:

1. That profits are not the primary or true criterion of damages in actions at law; but that sales of licenses, or a royalty established, constitute the primary and true criterion.

2. That in the absence of satisfactory proof of either class in the forum to which it is most appropriate, the other may be resorted to as one of the elements by which damages may be ascertained.

3. That whenever profits are resorted to at law as an element of damages, it must be the profits made by the infringer, not profits which the other party might have made.

4. That when the business has been so improvidently conducted by the infringer, that it yielded no substantial profits, or

when he has sold the products greatly below their just and market value, in order to compel the owner of the patent to abandon the business, the jury must still find only the actual profits, leaving it to the court to apply the remedy by augmenting the amount of the verdict.

5. That in order to show what the plaintiff has lost by the infringement, where the profits of the infringer cannot be ascertained, and there has been no royalty established, general evidence may be resorted to, to show the utility and advantage of the invention over old modes or devices used to work out similar results, and the extent of the use by the infringer.

The charge excepted to in the present case departs widely from all these rules, and directs the jury not only to find what they may think the defendants might have made if they had prosecuted the business with more diligence and providence; but also what the plaintiffs might have made if they had seen proper to carry on the business themselves; and, moreover, that the defendants were bound, whenever they undertook to infringe the plaintiff's rights, so to regulate their expenses, and the price at which they sold their products, through the four years of their infringement, that their profits should never fall short of those realized by Morgan when he carried on the business, two years before their infringement commenced. The fair import of these charges is, that the plaintiffs were, at the least, entitled to recover for the alleged infringement from 1870 to 1874, as much as the rate of profits which Morgan made while he carried on the business from 1866 to 1868; and also in addition thereto, whatever profits the defendants might have made by great diligence and economy during the period of the alleged infringement; or what profits the plaintiffs might have made if they had seen proper to carry on the business themselves; whichever rule would be most advantageous to the plaintiffs.

Thus the other rule, so correctly laid down in the charge, in reference to the admitted facts of this case, that, there being no royalty established, and no attempt by plaintiffs to carry on the business, or use the patent right themselves, the true measure of damages was the profit actually realized by the infringer, was completely nullified.

There was no royalty established, but the proof showed that these licenses were given away without compensation, the patentees looking to the sale of the acid for their profit.

Defendants also requested an instruction to the effect that the measure of damages was the excess of the profits actually made by defendants during the period of alleged infringement, by the use of the patented acid, over and above what they could or might have made by the use during the same period of any other acid which they might have used in the preparation of self-raising flour in the same manner. (Record, 148, prayer No. 8.)

This instruction was refused; yet we suppose it to be precisely the principle settled by this court in the case of *Mowry v. Whitney*, 14 Wall. 620, 651, and also in Littlefield v. Perry, 21 Id. 228.

We ask that the judgment be reversed.

ESTES & ELLETT, for Plaintiffs in Error.

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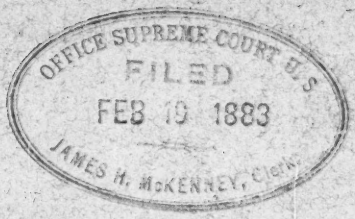

Supreme Court of the United States.

OCTOBER TERM, 1882.

OLIVER, FINNIE & CO., PLAINTIFFS IN ERROR,
No. 211 vs.
RUMFORD CHEMICAL WORKS, FOR THE USE OF PAYNE AND WIFE AS ADMINISTRATORS.

IN ERROR TO THE CIRCUIT COURT OF THE WESTERN DISTRICT OF TENNESSEE.

BRIEF OF GANTT & HARRIS

For Defendants in Error.

S. C. TOOF & CO., PRS. & LITHS. MEMPHIS.

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For Defendants in Error.

The facts need not be repeated. They are set out in the brief filed for plaintiff in error. We will confine ourselves to noticing in detail the alleged errors which are assigned by plaintiff in error for reversal.

I.

STATUTE OF LIMITATIONS.

A.

When an action involves the validity or force of letters-patent, the jurisdiction is exclusive in the Federal courts. Congress has provided no statute of limitation for such actions, as the law now stands. The State statutes do not apply. Property in patents is unknown to State laws. How can it be determined which particular provision of a State statute of limitation shall be applied to a patent suit? In Tennessee, as in most other States, forms of action are

abolished, and the statute of limitation is so shaped as to apply to the cause and not the form of action. How can a Federal Court tell in what clause of its statute the Legislature of Tennessee would have placed patent suits if property in patents had been known to its laws? The reason is, we submit, plain and manifest, why patent causes should not be embraced in the scope of State statutes of limitation.

Angell on Limitations, 31–32.
Anthony v. Carroll, 9 Off. Gaz. 199.
Collins v. Peebles, 2 Fish. 543.
Parker v. Hallock, Id.
Read v. Miller, 3 Fish. 310.

If the statute does not apply, this court will not reverse because the question was not technically made in the pleadings. If the pleas were bad, the court itself could have disregarded them, as it practically did. It certainly would have allowed defendants in error to have amended their replication to the pleas if the point had been made below that the question was not raised. Or, if the pleas are immaterial and issue had been joined on the replication, there could still have been judgment for the defendants in error, notwithstanding any verdict rendered on the issue so joined. Suppose the pleas had set up that the action was barred by the laws of France, and issue had been joined, would it have been noticed by the court?

B.

A patent right is property in an exclusive privilege or monopoly. It is personal property, 'tis true, but not of the kind or character which is included in the term 'personal property' under the laws of Tennessee. It is neither 'slaves, money, goods and chattels, a thing in action, nor an evidence of debt.' It is not that kind of property, for injury to which, an action must be brought in three years. If the three year statute don't apply, then there is no statute in the way.

Code Tenn., § 51 and 2773.

C.

The case of Hobbs v. M. & C. R. R., 9 Heisk. 873, is not an adjudication on the point claimed for it by counsel for plaintiff in error. In that case the declaration was held bad upon a demurrer to a plea. While the judge delivering the opinion does express the views claimed by appellants' counsel, yet the case is put on the ground that the declaration was good. In other words, the Supreme Court went back to the declaration and examined the objections urged against it upon the demurrer to the plea.

D.

The defendants below filed pleas in bar to the original declaration. No question was then made about plaintiffs' right to bring the suit in their own name. The amended declaration introduced no new cause of action. It simply corrected a mistake in the date of the issuance of the patent. Defendants then, for the first time, raised the question of plaintiffs' right to sue in their own name. The very instrument of which defendants craved oyer when the amended declaration was filed was set out in the original declaration. The amendment by which the 'Rumford Chemical Works' was made plaintiff for use of Payne and wife was purely formal and did not go to the merits. The amendments related back.

E.

Mrs. Payne's coverture is a good reply to the statute. When a married woman is administratrix, her husband cannot sue on an action accruing to her as such administratrix without joining her in the action, and the cause of action survives to her upon the death of her husband. Wherever this is the case coverture is an answer to the statute of limitation.

Black. Com. 1 vol., p. 360, note 44.
Merriman v. Cannovan, 1 vol. Tenn. Leg. Rep. 94.
Code Tenn. sec. 2757. 51 Me. 306.
1 Wm. in Ex. 787–788. 2 do 826–828.
Richards v. Richards, 2 B. & A. 447.

II.

ASSIGNMENT OR LICENSE.

A.

We submit this is an assignment or grant of an exclusive right in and under the patent throughout a specified part or portion of the United States. A patent may embrace more than one invention.

Curtis on Law of Patents, § 110.

This patent embraces four claims or objects.

Rum. Ch. Wks. v. Laeur, 10 Blatch. 122.

Either one of these claims, or parts, could be assigned separately.

Adams v. Burke, 17 Wal. 456.

Dorsey Rake Co. et al. v. Bradley Co. et al., 12 Bl. 202

So, too, there can be a grant as to a limited number of machines.

Wilson v. Rousseau, 4 Howard 686.

Washburn v. Gould, 3 Story 122.

Morgan had the exclusive right to the third and fourth claims. The contract between Morgan and the Rumford Chemical Works is in two parts. They are to be construed together.

Littlefield v. Perry, 21 Wal. 205.

Morgan took, in the language of the contract, "such rights as are covered by the patent," so far as the third and fourth claims are concerned. Nothing was left in the Rumford Chemical Works, except under the reservation, which will be noticed further on. The territory was large, embracing several important towns and cities. It was Morgan's duty to manufacture, introduce and sell throughout the territory, and to use his best tact and skill in introducing the article throughout the country allotted to him. He was thus authorized to act through others. He could

establish agencies and give others the right to make and introduce the article. The object sought to be accomplished shows this. He alone could bring suits to maintain the rights, under these claims, of the patent. His discretion as to when suits should be brought, was unlimited. No danger of infringers being harassed by a multiplicity of suits. Curtis on Pat., sec. 347, p. 369.

Within the prescribed territory, he possessed the entire and unqualified monopoly, just as the Rumford Chemical Works would have possessed it if these contracts had not been made.

Gaylor v. Wilder, 10 Howard 494–5.

No interest was left in the said works for the particular territory and particular right to which the contract related.

Curtis on Patents, sec. 179.

If the first and second claims of the second re-issue of the patent are void, still more is this an assignment or grant.

The reservation back to the Rumford Chemical Works was a mere right reserved, a license back, and makes no difference.

Littlefield v. Perry, 21 Wal. 205.
Washburn v. Gould, 3 Story 122.
Dorsey v. Harvester Company, 12 Bl. 202.
Curtis on Pat., sec. 212.

The grant covered more than the time the patent had to run. But limitation as to time makes no difference. The language of the statute is, that the grant need be only exclusive as to the territory and right granted.

Sec. 11, Acts 1836.
Curtis, secs. 179, 181, 193.

There may be limitations on the grant as to extent of use, etc., why not as to time?

Curtis on Pat., sec. 346, and cases already cited.

B.

The rulings of the court below upon the demurrer under which the plaintiffs were forced to amend and use the name of the Rumford Chemical Works, if erroneous, certainly cannot prejudice us here. The suit was properly brought at first. No injury can result to the defendants. It is matter of form. Certainly the defendants below will not be allowed to rely upon an error of the lower court, brought about at their own instance, as a ground of reversal here. 2 Hum. 352.

C.

This is an exclusive license, which gave plaintiffs the entire and exclusive right to make the self-rising flour in this territory—excluding the patentee from doing anything about this part of the patent. The Rumford Chemical Works could not do anything under the patent which Morgan could do.

Suppose all claims under patent valid, then the Rumford Chemical Works could make the acid, could have the patent for its process, could sell the acid to families for making bread for domestic use. But it could not make the self-rising flour under the patent. Now, Morgan only had the right to make the self rising flour, and nothing else. What the Rumford Chemical Works could do, he could not, and what he could do, it could not.

Licenses are general or exclusive, are revocable or irrevocable, are confined to the person or assignable.

Curtis on Pat., sec. 212 *b*.

An exclusive licensee has property and rights in and under the patent.

Mitchell v. Hanly, 16 Wal. 548.
Potter v. Holland, 4 Blatch. 206.
Perry v. Littlefield, 21 Wal, 205, 222.

An exclusive licensee of rights under patent for any particular purposes, has such property in the patent.

21 Wal. 205.

In such cases the patentee holds legal title in trust for protection of the equitable interest of the licensee.

Perry v. Littlefield, 21 Wal. 205, 222.
Hartshorn v. Day, 19 How. 220.

Such exclusive licensee can sue for infringment in name of patentee or assignee against strangers.

Goodyear v. McBinney, 3 Blatch. 32.
Goodyear v. Bishop, 4 Blatch. 438.
Littlefield v. Perry, 21 Wal. 223.
Dorsey Co. v. Harvester Co., 12 Blatch. 203.

So he can sue the patentee for infringement.

Littlefield v. Perry, 21 Wal. 223.

The patentee has no power left in him to give release for infringement or dismiss suit.

Goodyear v. McBinney, 3 Blatch. 32.
Goodyear v. Bishop, 4 Blatch. 438.

The patentee is trustee and holder of the legal title for protection of the licensee's interest—can do nothing to injure it.

Littlefield v. Perry, 21 Wall. 223.
Hartshorn v. Day, 19 How. 220.

A release is an excuse to a party for having done that which the party giving the release might have authorized in the beginning. It depends for its efficacy on the power and interest in the releasor. If he has power to release, he had power to give previous authority. *If he has no power to release, it is because he could not have empowered in the beginning.* Parsons on Contracts.

If one man directs and authorizes another to commit an injury, both are trespassers, and each subject to separate suit.

If patentee cannot infringe, it is because he has no power left in him under the patent so far as the exclusive rights of the licensee are concerned. 21 Wall. 223.

We thus have the question directly decided upon authority as to every aspect of the licensee's right to sue for infringement, save only when the infringement is justified under a permission or license. A stranger cannot infringe. The patentee cannot infringe. The patentee cannot release or dismiss suit; cannot refuse to allow use of his name; is guilty of a breach of trust when he does anything injurious to licensee's equitable title. We have also the principle that when one directs an injury, he becomes a trespasser himself.

Now, how are the authorities on analogous cases? If a man has possession of land with right or permission to gather a crop, he can maintain trespass qu. cl. fi. against the owner or any one acting by his authority.

Crosby v. Wadsworth, 6 Est. 601.
Stewart v. Dougherty, 9 John. 112.
Wilbur v. Payne, 1 Ohio 251.

Now how can the patentee give another power and authority to do what he has no power and authority to do himself? Here Oliver, Finnie & Co. did just what Morgan had a right to do, and nothing more. So all damages go to Morgan's estate, and none to any one else. This is another test showing that this was an exclusive right in Morgan.

If we are correct, this suit is maintainable in its present form.

D.

Oliver, Finnie & Co. cannot rely upon their license or grant from the Rumford Chemical Works as a defense to this suit. They are estopped upon the principle laid down in Wooster v. Taylor, 12 Blatch. 384. In that case Douglass, the first inventor, had given defendants license to use nineteen of his machines. After getting an extension of his patent he assigned it to plaintiffs. The defendants then made a license contract with plaintiff, by which on certain valuable considerations they agreed to use the machines (the same nineteen) for one year under the extension which

had been assigned to plaintiff. If they had not made this contract with plaintiff, under sec. 67 of the patent act they would have had the right to use their nineteen machines during the full term of the extension. After the year expired they claimed the right to use their machines during the term of the extension under their original license from Douglass. The court held them estopped by their contract with plaintiff from setting up the original license on the ground that in consequence of said contract plaintiff had allowed them to use the machines for one year without molestation, whereas if the contract had not been, plaintiff might have contested their right to use the machines during that year on the grounds, as shown on first page of the case, that Douglass had not originally given them by license, and if he had, that the right had passed out of him before he gave it to a party under whom plaintiffs claimed. This latter fact is shown by the case in 13 Blatch. 88.

Now in the case at bar, Oliver, Finnie & Co. made a contract with Morgan based on a valuable consideration, by which they bound themselves not to compete with him in any way in getting the right to make self-rising flour under Horsford's patent. They knew he was then trying to get this right for five years; that is the same right here sued on, and that is the right referred to in their contract. They cannot now, after taking benefit under their contract with Morgan, set up a license which conflicts with his. They are estopped.

The defendants below were not allowed to rely on their contract with the Rum. Ch. Works as a defense to the action. This ruling was correct in every view of the case, and it will make no difference that a wrong reason may have been assigned for it by the court below.

E.

Morgan's license or grant was not a mere personal privilege, which terminated at his death.

Suppose now, for argument sake, that the decision of the Supreme Court of Tennessee on this point is not conclusive on your Honors; and that the construction of this license is an open question. Did it expire by limitation at Morgan's death? We say not. The only authorities cited below which really bear on the point are the citations from Parsons on Cont. 1 vol. 111, 2 vol. 45. Now the doctrine laid down by Mr. Parsons is directly in our favor. He says, 1 vol. 111, 112, that all rights and contracts of the deceased pass to his personal representative and that this will be so in many cases in spite of words of limitation in the contracts themselves. Again, he says in case of executory contracts of the deceased, his personal representative is entitled to carry them out unless their execution demands some skill, personal to the deceased, and he cites the case of a man employed to write a book or paint a picture, etc. In the case at bar no such skill was involved. All the proof shows that the flour was made by a receipt, and the mixing, weighing, etc., was done by the most ordinary and even ignorant persons. The only skill required of Morgan was simply the business capacity common to every competent grocer, merchant and business man. The idea of the parties was not that the business demanded the services of an expert in any science, study or art, but simply the services of a good business man. The skill required to make the self-rising flour was not even of as high an order, certainly not higher than the skill required to build a house, and yet we understand it is admitted that if a carpenter contracts to build a house and dies, then his personal representative may complete the contract. Again, the proof shows that these licenses were granted not to experts, in the sense in which that word is used, but to ordinary business men. The case from 2 Story 525 does not bear on this question; it simply holds that where the parties intended that the license should be an *entirety*, the licensee could not assign a part of it even though the license con-

tained the words, "assigns and personal representatives." Judge Story says these words are not important, and in this he agrees with Judge Nicholson in his opinion.

We call your Honors' attention also to the principle that the fact that parties have so made a contract as to prohibit its being assigned will not prevent its going to personal representatives. Take the case of a lease; frequently it has a claim against assigning and subletting. This does not prevent it going to the lessee's personal representatives. If the parties in this case had intended to limit this grant to Morgan's lifetime it would have been easy for them to have said so. Instead of doing that, they give it for a fixed time, and the only condition upon which it can be terminated before the end of that time is the failure of the grantee to perform his agreements under the contract. Certainly his personal representatives can perform them in his shoes. All the intendments and presumptions of law are against defeating the deceased's rights under his contracts. 1 Parsons on Cont. 111.

The cases in 18 How. and 1 Cliff. do not bear on this direct question.

III.

ASSIGNMENT AND OWNERSHIP OF EXTENSION.

The assignment of the extension by Horsford to the Rumford Chemical Works enured immediately to the benefit of Allen F. Morgan.

Littlefield v. Perry, 21 Wal. 205.

For Morgan's grant and contract covered the period of the extension and necessarily embraced it.

Curtis on Pat., secs. 206–207–208–209.

Horsford was President of the Rumford Chemical Works, and must have known of these contracts, especially in view of the great number of the same kind which were made

with different parties. The contract between the Rumford Chemical Works and Oliver, Finnie & Co., was on the 1st May, 1870, during the hiatus between the termination of the original patent and the assignment of the extension. Horsford, as President of the Chemical Works, permitting all these contracts to be made, is estopped from setting up any claim to the extension, or denying that it belonged for its whole period to the Chemical Works and its grantees. It is manifest and clear that Horsford obtained the extension for the benefit of the Chemical Works.

In Littlefield v. Perry, 21 Wal., where the assignment through which the complainant's claim was made, the patentees have no title. The assignment was a quit-claim. Afterwards, the patentee got the title back. It was held that the title thus regained, enured immediately to the benefit of the assignment.

See Curtis on Patents, secs. 201–202 and note 1, for the difference between a patent for a machine and a patent for a chemical process. The right to the extension passes more readily in the latter class of patents.

An assignment will carry the extension when such appears to have been the intention of the parties.

Curtis on Pat., secs. 206, 208.
Chase v. Walker, 3 Fish. Pat. Cas., 120.
Perry v. Corning, 7 Bl. 200–201.

As to the position that there was no consideration given by Morgan for his grant, this manifestly cannot be maintained. Morgan's covenants and agreements were a full and valuable consideration for the grant.

The case of Waterman v. Wallace, 13 Blatch. 128, was as follows: Waterman obtained a patent; he assigned it to Keller by an assignment which passed only the original patent, and not the extension. Keller *never did get the extension.* He however made a license to defendants which

covered the extension. When the original patent expired and Waterman got his extension, he sued the defendants. They set up their license from Keller. The court held that as Keller never had at any time the right to the extension, he could not pass it to defendants. If in the case at bar Horsford had never passed the extension to the Rumford Chemical Works, and was here suing either Morgan or Oliver, Finnie & Co. for an infringement of the extension, this case would be an authority. But suppose that Keller in this case, after having granted the license to Wallace, had obtained the extension of the patent and then sued Wallace for infringement of the extension, can it be doubted that Wallace could have relied on his license? The court on page 130 say, if Mr. Keller had title, it passed to Wallace; and it is clear it never would have let Keller attack Wallace's right to the extension, no matter when Keller acquired his right to it.

Now we submit it makes no difference whether the Rumford Chemical Works had even an inchoate right to the extension or not. If they chose so to do, they could contract to pass the extension, even though they had no right of any kind to it at all, and only hoped to get it or buy it when it came into existence. The American authorities are clear on this point. Mr. Benjamin says, §§ 82–3, p. 74, that if a vendor sells a thing not belonging to him and subsequently acquires title, the property in the thing sold vests immediately in the purchaser. And in the case at bar plaintiffs' rights may be equitable. The legal title is in the Rumford Chemical Works, and suit is in its name. Now if our equitable right to extension is complete, we may maintain this suit in the name of the Rumford Chemical Works.

Benj. on Sales, § 81, p. 73.

We do not admit that the patent of 1868 was in evidence for the purpose relied on by counsel for plaintiffs in error; but if it was, we submit it cannot affect the case. The

case was tried entirely on the patent of 1856 and the amended declaration. No other patent was claimed.

Again, the Rumford Chemical Works never dealt in or sold any acids except those which were made under the patent of 1856. These facts are conclusively established by the proof, and show affirmatively and to the exclusion of every other hypothesis that all parties were acting under the patent of 1856, its reissues and extensions. The first grant to Morgan antedated the patent of 1868. There can be no doubt that everything which was done was under the patent of 1856 and no other.

But if the grant or license made to Morgan in 1869 is to be placed on or under the patent of 1868, what becomes of the questions of bankruptcy and invalidity of patent, so strenuously urged by the plaintiffs in error as grounds for reversal?

IV.

ESTOPPEL.

The ruling complained of on this point was that even if Morgan had made any admissions or declarations as to the character of his interests under his contracts with the Rumford Chemical Works, yet if his administrators withdrew these admissions before they were acted on, they would not estop Morgan's estate. This was a correct ruling.

1 Holmes 215, Gear v. Grosvenor.

Morgan himself could have withdrawn any admissions made by him before they were acted on. So could his personal representatives, for there could be no estoppel until the admissions were acted on, and if they had not produced any effect upon the conduct of others at the date of his death, his administrator was as free to withdraw the admissions as he was in his lifetime.

Mrs. Morgan, as administratrix in Tennessee, represented the estate before her qualification as administratrix.

Code § 2284.

It cannot be disputed that Mrs. Morgan, as administratrix, claimed her rights under this patent before there were any acts of infringement by Oliver, Finnie & Co. This is an admitted fact in the record, and the jury was left to say whether she claimed said rights before defendants obtained their license from the Rumford Chemical Works. There was no error in this. Oliver testified that they could have carried on the business of making the self-rising flour without the license. Record p. 117. The defense, or one defense thus made, was that no license was needed for the business. Hence the propriety of the charge upon the withdrawal of the admissions before actual infringement.

But let us look for a moment into the question of estoppel, and it will be manifest that these alleged admissions of Morgan never produced the slightest effect upon the conduct of Oliver, Finnie & Co. Indeed the only evidence of the admissions is in Morgan's letters to Dwight & Co., and in his amended schedule in bankruptcy. Now there is not the slightest proof in the record that Oliver, Finnie & Co., or either member of that firm, ever saw either of these letters or the schedule in bankruptcy until the controversy and suits sprang up between Mrs. Morgan and them. Again, the contracts between Morgan and Finnie & Buckham, which were continued and assumed by Oliver, Finnie & Co., began in 1868, before these letters were written, and it is not pretended that they were induced or brought about by the admissions; on the contrary the alleged admissions are of a character which would have prevented and not induced contracts like those made by Morgan and Finnie & Buckham, and Morgan and Oliver, Finnie & Co. But what is the alleged admission in Morgan's letter of 27th day of January, 1869, to Dwight & Co.? It is not that his contract gave him a mere personal privilege revocable at the will of the Chemical Works or at his death, but if anything, implies that his rights were forfeited by his failure to comply with his covenant to carry on the business of manufacturing the flour.

But to make it perfectly conclusive that Oliver, Finnie & Co. were not influenced in any way by the alleged admissions, see their letter of April 20, 1869, to Dwight & Co. Record p. 50. They do not say that they *were informed by Mr. Morgan that his license would cease with his death*, but on the contrary they *ask* what effect his death had on his contract with the Chemical Works. They go to Dwight & Co. for information as questions may arise. It is not treated as a matter settled by the contract and admissions of Morgan, but as a new question upon which they simply have doubts. And Dwight & Co.'s answer, record p. 68, puts the case not on Morgan's admissions, but on the absence of the words "executors, administrators and assigns," and then goes on to say the contract, if it had been made with a firm, would have survived as property of the copartnership.

We have presented these views to show that the justice of the case has been reached on this point, and to insist that there can be no reversal even though there were technical errors in that portion of the charge covering this question.

V.

BANKRUPTCY.

The charge on this point was as favorable to the defendants below, as they could ask.

The jury was told that "*mere non-claim* on the part of the assignee was not enough, but that they must find from the proof that the assignee abandoned the claim to Morgan." Not that he simply abandoned it, but that he abandoned it to *Morgan*.

If the assignee violated any duty in abandoning this claim to Morgan, it was not a duty to Oliver, Finnie & Co., but to Morgan's creditors. Oliver, Finnie & Co. cannot object.

Bassett v. Baird, 17 Bank Reg. 177.

The right of the assignee to abandon property of an onerous or unprofitable character, is well settled. This court, in Glenny v. Langdon, says: "It has long been a recognized principle of the bankrupt law, says Robson, that the assignees of a bankrupt are not, in certain cases, bound to take property of an onerous or unprofitable character, which would hinder instead of benefiting the estate."

98 U. S. 31.

See also, Bump. on Bankruptcy, 9th ed., 500.
Streeter v. Sumner, 3 N. H. 542.
Oakey v. Gardner, 2 La. An. 1005.
Rugby v. Robinson, 19 Ala. 404.
Smith v. Gordon, 6 Law Rep. 313.
Berry v. Gillis, 17 N. H. 9.

If the assignee abandons, then the right remains in the bankrupt, and no one can dispute his title or possession.

Smith v. Gordon, 6 Law Rep. 313.

It is not controverted that Morgan's rights under his contract with the Rumford Chemical Works, were burdened with the performance of onerous conditions which could not be repudiated by his assignee, but it is said the assignee ought to have sold the rights. The same principle which allows the assignee to decline to accept unremunerative property, must allow him to refuse to sell property so burdened with conditions and encumbrances as to be valueless to the estate. If this were not so, every bankrupt's estate would be burdened with much useless costs. Take the case of a lease so burdened with conditions as to be valueless to the tenant, or a piece of property mortgaged beyond its value. If the assignee was bound to sell them, the only result would be the incurring of costs and expenses without any corresponding benefit to the estate. As a general rule, the assignee collects the bankrupt's debts and sells his property. Abandonment means that he elects to have nothing to do with the particular claim or property, and leaves it with the bankrupt. If in making this elec-

tion he fails to exercise ordinary judgment and discretion, or is wanting in good faith, he is liable to the creditors, but third parties cannot complain.

In Glenny v. Langdon, the court says: "Nor are the creditors without remedy in such a case, even if the assignee should erroneously or unwisely fail to take such possession, as the creditors may, by petition, apply to the court of original jurisdiction to compel him to carry out their wishes, etc."

98 U. S. 31.

The cases cited by plaintiff in error upon the question of effect of statute of limitations, have no application to the particular point here involved. Of course, if the assignee once accepts, or we may go further and say, fails to abandon, the fact that he is bound by the statute of limitation will not transfer the property to the bankrupt. But that is not the question here. The jury has found, upon a proper charge, that the assignee actually abandoned the property to Morgan.

VI.

VALIDITY OF PATENT.

We have already, in a former portion of this brief, cited authorities for the position that patents are or may be divisible, and separate parts assigned.

Under the assignment in the case at bar, Morgan had no interest in the first and second claims in the re-issued patent. The want of novelty in these claims was immaterial. The question of want of novelty in the third and fourth claims, was submitted to the jury under instructions to which no special exceptions are urged. But the principal point relied on here for reversal is, that the third and fourth claims are void, because not contained or embraced in the original patent. This question, we submit, was not made in the court below. The charge asked by defendants

below, on this point, and the refusal of which is assigned as error, is charge No. 5, on page 148 of record. We repeat it here: "If the jury find from the evidence that the invention of Prof. Horsford, described in the letters patent sued on, in the first and second claims thereof, was in substance the same as that invented by Berselius, and described in Gimelius' Hand-book of Chemistry, published in 1846, at page 195; and further, that the invention described in the third claim of said patent, to-wit, the mixing process, was substantially the same as that patented by Fowler in 1847, as pleaded, the acid in Fowler's patent performing substantially the same chemical office and accomplishing substantially the same result as the acid in Horsford's patent, they are instructed that, in law, the one acid was an equivalent for the other, and that there was no patentable novelty in the Horsford invention, and in such case they will find for defendants."

Here the question of the patent being void, was placed entirely in the assumed fact that it had been anticipated in all its parts, and not that the issues were too broad. The court was not asked to submit this latter view to the jury, nor was it asked to construe the patent and re-issues, and pronounce any part of the latter void, because not contained in the original patent. The question is made here for the first time, and it is too late, we submit, to avail the plaintiff in error.

But suppose we are mistaken in the above, we then submit with confidence that the third and fourth claims of the second re-issue are embraced in the original patent.

The first patent (record, p. 37,) is for an improvement in preparing the acid, not for the acid itself, and the claim (p. 39,) is that from a mixture of the acid with alkaline carbonates upon the addition of moisture or heat, or both, the alkaline bases will be neutralized and carbonic acid produced at will. Now this is the substance of the third

and fourth claims in the second re-issue, and when we come to the first re-issue, the two claims made are identical with the third and fourth claims in the second re-issue, (record p. 42,) thus showing that the mixing the acid with alkaline carbonates was understood as being embraced in the patent.

Counsel for plaintiff in error is wrong when he says the fourth claim made its first appearance in the second re-issue. It will be seen as stated above, that it is the second claim in the first re-issue, and we submit is the claim in substance in the original patent.

The presumption is in favor of the validity of the patent. The prima facie case is greatly strengthened by the extension.

Cook & McComb v. Evert, 2 Off. Pat. Gaz. 92.
Whitney v. Maury, 3 Fish. 157.
Swift v. Whison, 3 Fish. 343.
Am. Nich. Pavt. Co. v. City of Elizabeth, 3 Off. Pat. G. 522.

Again, we submit that Oliver, Finnie & Co. cannot raise the question of the invalidity of the patent. By their contract with Morgan, they bound him to acquire and keep the interest in the patent. Furthermore, they were not to compete with him for the interest. How can they now deny the validity of the patent and claim that Morgan got nothing when he obtained the rights they stipulated that he should get.

See record p. 122, for this contract.
Bigelow on Estoppels, pp. 345–346.

For five years and more Oliver, Finnie & Co. insisted that the patent was valid, claimed rights under it, proclaimed it to the world as a new and valuable invention, and, as assumed owners of an important monopoly, wrung from the public every dime they could. They do not stand in the attitude of those infringers who deny the patentees'

rights and insist upon the rights of the public, and we submit that no court will go out of its way to declare the patent void when they are called upon to account by the true owner of the interest usurped by them.

VII.

As to the rights of Morgan's administrators, even if we were to concede that under the laws of Tennessee their duty was to sell Morgan's interest in the patent, it would not avail Oliver, Finnie & Co., because the creditors of Morgan alone would be concerned in that question, and not third persons. But as administrators they were not bound to sell this right; Oliver, Finnie & Co. have usurped it. It was denied that Morgan had any right. A sale would have resulted in nothing and done no good. It was their duty to sue for the injury.

Johnson v. Key, 8 Hum. 142.

VIII.

DAMAGES.

The charge of the court upon the question of damages is fully sustained by the authorities. The cases are analyzed and principles stated in Curtis on Patents, sec. 337, 338 and notes.

1 Sawyer.

McComb Cotton-tie case, 2 Off. Pat. Gaz. 117.

Locomotive Safety Track Co. v. Pa. R. R. T. Co. Fed. Rep., July 14, 1880, p. 39.

The complaint is that the jury were told that if Oliver, Finnie & Co. so imprudently managed their business as to make no profits this would not be binding on plaintiff, but the jury could still look to see what the actual damages were and in doing this they might look to how Morgan conducted the business, etc.